The China Weekly REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

Putnam Weale and His "New Order" in Peiping!

Nanking's Attempt to Head Off Northern Opposition Government

The Russo-Chinese Situation on the Eve of the Conference

Anglo-Japanese Commercial Rivalry in India

By Traknath Das

Japan's Encroachment on the Chinese Silk Trade

By Paul K. Whang

The Competition of Russian Emigree Laborers; Who Can Suggest a New Term for "Mex.;" China Would Stage a New "Port Battle" in the South; The Magazine Writers Used Better Judgment; In the Field of National Reconstruction; The New National Factory Law, a Translation by N. F. Allman and C. H. Lowe; Hulutao, Rival of Dairen, by Chang Tan-tse; Statistics on Factory Industries in Tientsin; Chinese Under French Rule in Indo-China, by Nam Fong; Indian Disturbances Continue; The Annual Meeting of the Bank of China; I. T. and T. Favored in Telephone Deal; China's Twenty Year Educational Program, by Herman C. E. Liu; Remedy for Silver Price Decline, by HarringtonEmerson.

SATURDAY, MAY 17, 1930 VOLUME 52, NUMBER 12

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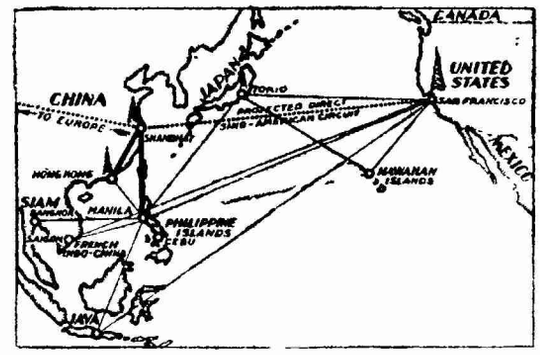

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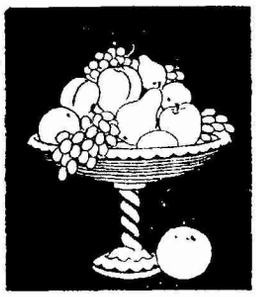

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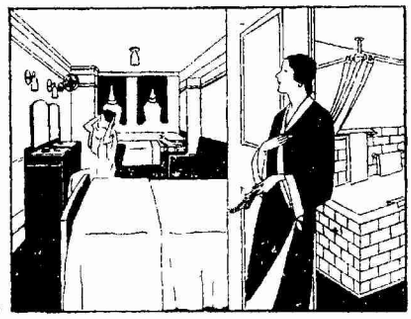

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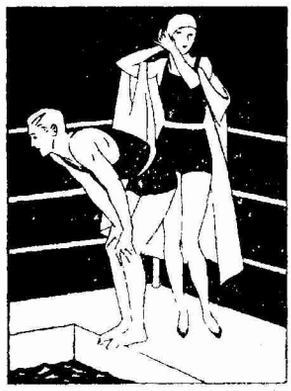

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The China Weekly REVIEW

Formerly Millard's Review

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Contents

Editorial Paragraphs

Would Stage Port "Battle" Also in the South 433
Who Can Suggest a New Term for "Mex," 434
The Competition of Russian Emigree Laborers 434
The Magazine Writers Used Better Judgment 435
Putnam Weale and his "New Order" in Peiping 436
Nanking's Drive to Head off Formation of Opposition to Government in Peiping 439
The Sino-Russian Situation on the Eve of the Conference. 442

Special Articles

The New National Factory Law 445
Chinese Under French Rule in Indo-China...By Nam Fong 448
Statistics on Factory Industries in Tientsin, 1928 449
Anglo-Japanese Rivalry in India .....By Dr. Traknath Das 450
Japanese Encroachment on China's Silk Industry.....By Paul K. Whang 451
The Fall in the Price of Silver and the Remedy.....By Harrington Emerson 452
Hulutao—the Rival of Dairen.....By Chang Tan-tse 456
China's Twenty-Year Educational Program.....By Herman C. E. Liu 458
In the Field of National Reconstruction 460
Disturbances in India Continue..... 461
Men and Events..... 462
Bank of China Holds Annual Meeting 463
Who's Who in China 464
New Books of Interest in the Far East..... 466
The Local Communication Deadlock 468
Advisory Committee Favors I. T. & T. T. Telephone Bid 470
From the Chinese Press 472
What the Ships Carry between America and China v

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NOTICE

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WASHINGTON BUREAU
J. J. Underwood—Correspondent
Colorado Building, Washington, D.C.

WOULD STAGE PORT "BATTLE" ALSO IN THE SOUTH

SHORTLY following the announcement of a serious attempt to develop a Chinese-controlled port at Hulutao on the Gulf of Liaotung as an offset to the Japanese-controlled Port of Dairen, comes the announcement of the decision to develop a "free port" at Chungshan at the mouth of the Canton River as an offset to the British Port of Hongkong. A description of the plan for the Chungshan port development appears elsewhere in this issue of *The Review* but according to a report from Nanking on May 10 the Government has issued regulations granting the new port a charter for sixty years and work shortly is to be started to create a first-class harbor. The new port will be known as "Chungshan" and will be located at Tangchiahuan, a coastal village south of the Sun Yat-sen "model" district, birthplace of the "father" of the Kuomintang and Nationalist Movement. Whether this is to be the answer to the long agitated campaign for a Chinese-controlled, deep-water port at Canton was not stated, but rivalry with the British colony of Hongkong must have had something to do with it, a rivalry which has been exacerbated recently by the serious smuggling situation on the south China coast. In reference to the smuggling situation a report from Nanking on May 6 stated that F. W. Maze, Inspector-General of Customs, shortly was proceeding to Hongkong for the purpose of attempting to reach an understanding with the authorities of the British colony regarding the smuggling situation which is causing the Chinese Government serious losses in customs revenues. It was stated that Mr. Maze had visited Hongkong for this purpose last year and that an agreement entered into at that time had been refused ratification by the Hongkong Government. As a result of the deadlock smuggling has greatly increased, hence the second attempt of the Chinese Government to reach an understanding. It was stated that in the event it is impossible to reach an understanding that the Chinese Customs Administration will be compelled to strengthen preventive measures along the coast in the vicinity of Hongkong. The seriousness of the smuggling situation was indicated in a recent article from *The Review's* correspondent at Hongkong who stated that it was now possible to smuggle motorcars, piece goods, heavy machinery, etc., from Hongkong into Canton without payment of duty. The Chungshan district, of which the new Port

of Chungshan is to be the metropolis, was set aside several years ago as a model district. The area is situated at the mouth of the Canton River delta and is adjacent to Macao, the old Portugese colony. The district is administered by a commission of nine including the former premier, Tong Shao-yi and Sun Fo, Minister of Railways.

WHO CAN SUGGEST A NEW TERM FOR "MEX"

A CHINESE reader of *The Review* J. L. Yen, by name, who resides at Nanking, has written us a strong letter wherein he charges us with die-hardism and various other high crimes because of our continued use of the term "Mex." in reference to Chinese silver currency. Said Mr. Yen, "In spite of the fact that there are no more Mexican dollars in circulation in China, you continue to use this die-hard phrase, which constitutes an insult to the Chinese people. Doesn't this prove that foreigners are slow in seeing changes which have taken place in the country?" While pleading guilty to the charge of using the term "Mex." we emphatically deny the charge of die-hardism, but in this connection we wish that someone would invent a standard term for use in designating Chinese silver dollars in such a way as to distinguish them from American "gold" dollars. When the Peking Government first coined a silver dollar to replace the silver dollar imported from Mexico, the new Chinese coin contained the likeness of Yuan Shih-kai and for that reason was known as a "Yuan," but since the coinage of Yuan Shih-kai-dollars has been discontinued in favor of the new dollars bearing the profile of Dr. Sun Yat-sen, there has been no suggestion of a new name. The recent report of the Kemmerer Commission suggested a new gold-standard *silver* dollar to be known as a "Sun," but there has been no confirmation of this from the Finance Ministry. Since the term "Mex." is obsolete, there is pressing need for a new standard phrase and also a symbol such as the well known "£" used to designate the English currency unit, the "Y" to designate the Japanese yen, the "$" to designate the American currency unit and even the "₸" to disignate the Chinese tael. To refer back to our correspondent and the term "Mex." he is not entirely correct in his statement that Mexican dollars have completely disappeared as they occasionally are still seen. The story of the circulation of the Mexican silver dollar as standard currency in China is an interesting one in that it represented one of many international attempts to provide China with a metal currency unit. The use of the Mexican dollar is said to have been largely accidental due to the fact that Mexico exported silver to China in the form of coined dollars in place of bullion. The Mexican dollar happened to suit Chinese conditions and the actual coin became a standard of currency. An attempt of early American traders at Canton to introduce an American "trade-dollar" did not succeed largely because the coin contained too much silver and was melted for industrial uses. Since the Ministry of Finance is now planning the early opening of the Central Mint at Shanghai, there is hope that the Ministry will, at the same time suggest a new standard term to replace the various and confusing efforts which everyone makes to designate Chinese coins, such as the obsolete "Mex." or the equally awkward phrases "Chinese dollars," "Chinese currency," or whatnot.

THE COMPETITION OF RUSSIAN EMIGREE LABORERS

THE CHINESE peasant laborer who for generations has gone abroad and successfully competed with laborers of other lands often resulting in serious political complications, has now been brought face to face with a somewhat similar competitive labor situation in China through the advent of the Russian emigree laborer. This new situation recently received emphasis at Shanghai where two strikes of Chinese laborers were successfully broken through the employment of Russian laborers. One was a strike of Chinese printers in the office of *The China Press*, one of the British morning newspapers in Shanghai, where the employment of Russian printers quickly brought the Chinese printers to terms. The other case was the strike of Chinese chauffers employed by the China General Omnibus Company, Ltd., a foreign (British) company that operates a bus service through the streets of the International Settlement. This company likewise employed Russian chauffers and this factor undoubtedly had much to do in breaking the strike of Chinese chauffers. The Russian emigree laborer has of course been used previously, particularly during the general Chinese strikes in 1925 and 1927, but in those instances the strikes were more of a political nature. In the recent instances the strikes of Chinese laborers apparently were economic and concerned primarily with the question of the "rice allowance" or in other words additional pay on account of greatly increased price of rice, the staple article of diet. In the case of a third strike, that of the drivers and conductors of the Tramway Company, also a British concern, the company apparently did not attempt to use Russians but effected a compromise with the Chinese employes whereby salary increases were granted. Since the Chinese Government has created official machinery for the arbitration of labor disputes, the ignoring of these regulations and the employment of Russian emigree laborers by foreign concerns has naturally caused serious reactions in Chinese political as well as labor circles and is bound to result in increased determination on the part of the Chinese to end the exterritorial privileges of the foreigners. But even the elimination of the foreigners' special privileges will not eliminate the presence in Shanghai and other parts of China of thousands of Russian emigree laborers who are so near the starvation line that they will accept jobs at any wage. The Russian population at Shanghai is now estimated at 18,000 and while the number of laborers capable of competing with Chinese labor is not known, it is known that the number of Russian laborers here is rapidly increasing. In North Manchuria the situation is even worse due to the influx of Russian peasants from Siberia, it being stated that approximately 50,000 Siberian peasants, including men, women and and children, had crossed the line in recent months due to the enforcement of

the land-socialization program by the Soviet Government. While the majority of these Russian peasants remain in Manchuria, it recently was stated that the Chinese authorities at Harbin had issued passports for more than 3,000 Russian emigrees to come to Shanghai. While most of these Russian emigrees are to be classed as "whites" the Soviet authorities in control of the Chinese Eastern Railway, with the obvious connivance of the Soviet Government at Moscow, have also aggravated the labor situation in North Manchuria by bringing into Chinese territory several thousands of Russian "red" laborers for employment on the C. E. R. thus displacing Chinese labor on the most important industrial undertaking in that area.

THE MAGAZINE WRITERS USED BETTER JUDGMENT

THE PARTY of eighteen men and women associated with leading American magazines that visited Shanghai last week apparently was better advised than the party of newspapermen that visited China last spring on a "good will" tour that resulted in anything but good will. The group of magazine writers, all of whom have now proceeded to North China, includes the following,

Lawrence Adler, *The Forum;* Richard Barrett, *Harper's Bazaar;* Hulbert Footner, *Harper's Magazine;* Dr. and Mrs. Samuel McCune Lindsay, *Review of Reviews;* Mr. and Mrs. Franklin Lockwood, *World's Work* and *Country Life;* Mr. and Mrs. Earl Chapin May, *Nation's Business;* Mr. and Mrs. Charles P. Norcross, *World Traveler;* Miss Nancy B. Osborne, *Fortune;* Miss Dorothie Parklewis, *Town and Country;* Mr. and Mrs. Henry Albert Phillips, *Travel;* Miss C. A. Schwind, *Time;* Ellery Sedgwick and daughter Miss Henrietta E. Sedwick, *The Atlantic Monthly.*

This party, as was the case of the newspaper party last spring, is traveling as the guests of a number of Japanese organizations chiefly including the Japanese steamship lines and travel agencies, but in the case of the present group there has been no attempt to camouflage the expedition as a "good will" tour as was the case with the preceding group. Since it was announced in the newspapers that the magazine writers were traveling under the auspices of Japanese organizations, there was no misunderstanding and everybody accepted the expedition for what it was. But in the case of the newspapermen last spring, it was announced that the trip was a "good will" expedition under the auspices of the Carnegie Endowment for International Peace, and it was only after the party arrived in China and after the Chinese had extended hospitality, that it was discovered that a considerable portion of the traveling expenses of the newspapermen was being defrayed by the Japanese. While some of the newspapermen in the party were unaware of the fact that it was a Japanese publicity stunt, other members apparently overdid themselves in indicating their appreciation for Japanese hospitality by delivering speeches and writing articles attacking the Chinese. The Chinese, feeling themselves more or less taken in, immediately became hostile and the trip of the American newspapermen resulted in anything but good-will, rather the contrary. Some of the newspapermen continued their attacks on the Chinese even after their return to the United States, hence the Chinese are now examining the credentials of all visiting journalists with the object of finding out if possible who is paying the traveling expenses. In view of the widespread Chinese criticism of the newspaper party last spring, it is rather surprising to read in the annual report of the Carnegie Endowment for International Peace the statement that "the enthusiastic cordiality and the abundance of the hospitality with which the American party was received everywhere on the trip surpassed all expectations." It is true that members of the party were granted interviews and were given dinners by Chinese officialdom, but that was proverbial Chinese hospitality always extended to friends and enemies alike, but to say that the party was received with "enthusiastic cordiality" is an incorrect statement of the actual facts of the situation. Had the Carnegie Foundation possessed sufficient enterprise to obtain translations of highly critical editorials which appeared in every Chinese newspaper from one end of the country to the other and published them in its annual report, they would have told an entirely different story. The Chinese are still waiting for an explanation of the strange action of an organization of the supposed standing of the Carnegie Foundation in lending itself to a Japanese propaganda scheme directed at a neighboring friendly nation. In the case of the present trip of magazine writers, the situation has been handled much more intelligently. It was frankly stated in advance that the members of the party were traveling as the guests of the Japanese railways, steamship lines and hotels and hence there was no attempt to mislead the Chinese as to the real purpose of the trip, which, is in simple language to boost American tourist travel in the Far East over the Japanese lines. Also, and this is important, there have been no speeches and no newspaper interviews wherein members of the party have attempted (after a week's inspection) to tell the Chinese how to run their country. Being a newspaperman we hate to have to admit that the magazine writers have displayed more intelligence than was displayed by the newspapermen last spring, but the facts are as stated!

Japanese Instructors for Chinese Army

An agreement has been concluded between the Japanese and Chinese Governments for the employment of some 30 Japanese army officers as instructors to reorganize the Chinese National Army. The officers, mostly artillerymen and engineers, are to be assigned to the Nanking Army Staff College. Japanese officers are also shortly proceeding to Mukden at the invitation of the Mukden authorities for the purpose of instructing the officers of the Manchurian aeroplane corps.

American Minister Entertained at Tiffin by Admiral McVay

An informal tiffin was given aboard the U.S.S. flagship *Pittsburgh*, by Admiral Charles B. McVay, to Mr. Nelson T. Johnson, American Minister to China, and a number of local American newspapermen on May 12. The guests, in addition to Mr. Johnson, included: Morris Harris, the *Associated Press;* Randall Gould, the *United Press;* Victor Keen New York *Herald Tribune;* George Sokolsky, *Far Eastern Review;* Cal Hirsch, the *North China Daily News;* Hal P. Mills, *The Shanghai Times.* George Bronson Rea, of the *Far Eastern Review* and J. B. Powell, *Chicago Tribune.*

Putnam Weale and His "New Order" in Peiping

IN the first place we feel that we should apologize for the use of the word "Peiping" in the heading to this article because Mr. Weale has abolished the Nationalist nomenclature for the old former capital and has restored the word *Peking*. This, apparently was Mr. Weale's first step in the creation of the "new order" in the North, regarding which we are planning to devote the following few paragraphs. But before doing that we feel obligated to our readers to explain just who Putnam Weale is, because "Putnam Weale" is not his real name. Mr. Weale's real name is *Bertram Lenox Simpson*, hence his other name, "Putnam Weale" is only a sort of pen-name which he uses when writing fiction. He is now using the "Putnam Weale" name in connection with the propaganda articles which he is turning out on behalf of Gen. Yen Hsi-shan, the leading Northern "rebel" against the National Government. But to get back to Mr. Weale's (or Simpson's) biographical sketch which appears in *Who's Who* we find in the very first line that he was "Adviser to the President of China." That was in 1927, hence it must have referred to Marshal Chang Tso-ling who was the last controller of Peking, although Marshal Chang called himself "dictator." Reading further, we are informed that Mr. Simpson (or Weale) was educated at Brighton for the army and studied in Switzerland, France, Germany and Italy and "speaks five languages." He joined the Chinese Customs Service in 1896 and since he was born in 1877 that means Mr. Weale obtained his first government job in China when he was only nineteen years old. He went through the Siege of the Legations in 1900 and served as an interpreter attached to the British expeditionary forces, then joined the 1st Bengal Lancers in 1902. After that the began traveling in the Far East and writing under the pseudonym *Putnam Weale*. Up to 1927 he had turned out 21 political and romantic works, probably his best known works being "Indiscreet Letters from Peking." In the 1911-1914 Chinese revolutions, Mr. Weale was correspondent for the London *Daily Telegraph*. His biographical sketch concludes with the statement that in September, 1916," he was appointed by President Li Yuan-hung as Political Adviser and Observer." Mr. Weale continued in this position in Peking until the old Peking Government collapsed when Marshal Chang Tso-ling folded up his tents and retired to Manchuria, this being but a few hours before the Nationalist armies from the South were knocking at the gates in the Peking Wall. A few hours before Marshal Chang evacuated, Mr. Weale is reported to have informed the correspondents in Peking that "Marshal Chang never will evacuate." However, we are not certain on that point.

Sometime during the spring of 1927 when the "Red" Nationalists were in Hankow, Mr. Weale decided to pay a visit to the Yangtsze Valley and see for himself what it all was about. While in Shanghai he attended a meeting of the Rotarians and delivered a speech about Eugene Chen. Mr. Chen at that time was "Foreign Commissar" at Hankow and as head of the Nationalist Foreign Ministry was saying things about foreign aggression and special rights in China that was having an adverse effect on Shanghai real estate values. The foreign die-hards in China didn't think very highly of Mr. Chen at that time; in fact nothing would have given them more pleasure than to have had the opportunity of attending Mr. Chen's funeral. But Mr. Weale did not agree with this die-hard attitude toward Mr. Chen and said so very plainly in his Rotary address. In fact he appeared to think a great deal of Mr. Chen; explained how he had once saved Mr. Chen's life in Peking, and so on. Then Mr. Weale went on up the Yangtsze to Hankow where he examined the Nationalist structure at first hand. After a few days close-range inspection, Mr. Weale apparently was not satisfied with what the Southern Chinese were doing in Central China, so he came back to Shanghai and began the writing of a series of articles which he labeled, "The Red Wave on the Yangtsze." These articles were syndicated and added much to the joy of those hectic days of 1927 when everything in China appeared on the point of being turned upside down. Mr. Weale told his readers that the Nationalist Movement from Canton was nothing more nor less than a Taiping Rebellion and a Boxer Uprising combined and urged upon the Powers the immediate policy of sending vast forces to China for the purpose of putting the Chinese back in the place where they belonged.

But the Powers didn't listen to Mr. Weale's advice and the Nationalist wave (somewhat tempered after the collapse of Hankow) swept on north-ward, the Japanese not even having sufficient strength to stop it with their Shantung intervention. Marshal Chang Tso-ling even refused to listen and went back to Mukden, thus leaving Mr. Weale all alone with the foreign legations in Peking. Gen. Yen Hsi-shan, the so-called "model" governor of Shansi province and the best "fence-rider" among all Chinese militarists, decided to hop on the band wagon and become a Nationalist himself. This he did, at the same time grabbing control of Chihli province, much to the indignation of the Christian General, Feng Yu-hsiang, whose "Nationalism" pre-dated Yen's by several years, and who also needed territory and an outlet to the sea. Since the whole world appeared to be against him, Mr. Weale went back to the writing of books and continued in this occupation until quite recently when he again emerged as a writer of syndicated articles for the press. These articles began appearing in the British newspapers in the Straits Settlements at about the time that Gen. Yen Hsi-shan decided that if there was to be a new regime in China he should be at the head of it instead of that Gentleman from Ningpo, Gen. Chiang Kai-shek. The National Government had done everything possible to satisfy Gen. Yen by giving him control of practically everything north of the Yellow River and making him vice-commander of the military forces, but this satisfied neither Yen nor Weale, hence the decision to stage another civil war. Weale's articles in the British newspapers in the Straits Settlements (also in Manila) were cleverly designed to dampen the enthusiasm of the overseas Chinese for the Nanking Government. Also, they were designed to

frighten the colonial Britons against making further concessions in the way of relinquishment of exterritorial rights, or treaty revision generally. In one article referred to recently in *The Review*, Mr. Weale declared that the Chinese conception of courts had advanced little since the days of a century and more ago when they strangled an American sailor at Canton because he threw an earthenware pot over the side of a ship and caused the death of a Chinese beggar woman who was in a sampan alongside.

However, there is no particular point in reviewing Mr. Weale's syndicated articles attacking the National Government, the Kuomintang or the Powers' policy of conciliation, our interest at this time being in his most recent writings in the *Peiping Leader*, an English-language newspaper recently taken over by Gen. Yen and of which Mr. Weale is serving as editor. Our interest in this is two fold, first because of the insight which it gives into political developments in the North, and second, the methods which Mr. Weale has advised Gen. Yen to adopt in connection with the financing of the Northern drive against Nanking. In the first place, the most significant phase of Mr. Weale's writings in *The Leader* has been his complete omission of any reference to the movement of the Kuomintang Left Wing, or the so-called Western Hills or "extreme-right wing," in the same party to get together in the North for the purpose of forming an opposition government. While Mr. Weale has frequently referred to the creation of a "new order" in Peiping; of efforts to restore the North to its "former position," he has had nothing to say about the fundamental underlying policies of Yen Hsi-shan which might provide justification for his present attempt to overturn the National Government. On May 1, Mr. Weale declared that "the program of North China is to interrupt the so-called revolutionary movement ....and to substitute the ideals of the earlier stages of the Republic when the people had better security and far more happiness...." There has been an over-abundance of attacks on Gen. Chiang Kai-shek and the National Government for the failure to bring relief to the Chinese people, but no concrete reference to political policy and program which are the all important elements if Yen Hsi-shan and Feng Yu-hsiang have anything more substantial to offer the Chinese people than a reversion to the old checker-board game of military feudalism which characterized Peking politics from the 1911 revolution to the Nationalist revolution of 1926-1927.

But while silent on this point, Mr. Weale has had much advice for the foreign Powers, particularly the United States, Great Britain and Japan, in respect to their attitudes toward the Nanking Government. In reference to British policy he declared that the British Memorandum of December 1926....."has brought nothing but ill-luck for all concerned and today merits a frank abandonment. If it cannot be repudiated, it at least can be dropped in the sea and something new thought of which will correspond more closely with the needs of the hour and the changes which are even now being wrought." His reference to American policy is not so clear cut, but he concludes his remarks on this subject with the following declaration, "The saner and wiser adjustment which is now under way—the process of slowing-up the country until the country knows where it is going—should have no more ardent supporter than a nation (America) for whom time is also the great ally." Regarding Japanese policy, Mr. Weale comments at length on the recent Sino-Japanese tariff understanding and alleged Japanese support of Gen. Chiang Kai-shek and concludes with the following subtle warning to Japan, "Japan's commercial interests are dispersed throughout China but her political interest remains in the North. The friendly terms on which she has always been with Gen. Yen Hsi-shan impel her to watch with great attention a conflict of which she has been perhaps the first to realize the final results. That her political and commercial interests will receive fairer treatment when the Capital is back in the North than they have enjoyed in recent years can be accepted as undisputed." In final reference to the policy of the Powers in recognition of and support of Nanking, Mr. Weale commented lengthily and ironically on what he termed the "Diplomatic Voyage to Nanking," wherein he quoted the old saying, "If the mountain will not come to Mahomet, Mahomet must go to the mountain." He then asked the question, "Why do they go?" and answered by declaring that "the continuance of diplomatic negotiations at Nanking at such a moment when the Legations themselves are maintained in Northern territory which is at war with the clique with whom diplomats are conversing, is an act of clumsiness if nothing else. That serious questions will be raised unless they return speedily is certain. It will redound little to foreign credit if it has to be publicly shown in a circular note to all nations that the last persons to realize what is going on in China are those officially accredited here for the purpose of preserving friendly relations with this people." In a still further reference to the matter of the Powers' policy in connection with the "Plight of the Roman Catholic Missions," Mr. Weale concludes with the following significant words, "That sanctions will be imposed if the outrages continue cannot be doubted. The withdrawal of recognition of a government which cannot govern or give adequate protection seems the simplest and most dramatic conclusion. That will pave the way for the *new order in Peking*."

In final reference to Mr. Weale's disclosures regarding the inner political motives in the Northern camp is the following paragraph from one of his editorials wherein he disclosed Gen. Yen's attempt to take control of the Tientsin customs revenues,

> "The financing of this arduous campaign is not easy for North China, but enough money is in sight to complete the work because this is a war based on territorial considerations. The citadel in the North is Shansi, not a rich province by itself, but one always famous for its sound money principles and now much strengthened by its association with the Hopei districts and Tientsin. In the days before the treaty-ports, the Shansi bankers were the bankers of the country, and their notes and bills were the best on the market. The result of the military action now being taken to restore to North China its former position will no doubt necessitate many financial adjustments, but Shansi financial probity is equal to the task. Tientsin will offer facilities for short-term

financial operations when the military situation has undergone a radical change; the railways, badly as they have been treated in recent years, can be made a fruitful source of revenue once the Chiaotungpu is re-opened and railway operations concentrated here. Moreover, as all the provinces of the North are concerned with this issue for them it is their very life to win and they give every help. Whereas on the Yangtsze it is only that portion of Kiangsu south of the river,—Kiangnan—which remains in Nanking's hands, the rest of the country being indifferent if not actually hostile and increasingly determined to withhold financial support."

In a specific reference to the contemplated seizure of the Tientsin Customs Administration, which appeared in the *Manila Bulletin* on May 3, Mr. Weale explained in detail how Gen. Yen would be able to obtain $26,000,000 in revenues by taking this action, which in Mr. Weale's opinion would result in the ruination of Nanking and forcing Shanghai financial interests "to forclose." However, despite Mr. Weale's frank advice, there still seems to be some question as to whether Yen has taken the final step in this regard. A Japanese Rengo telegram from Tientsin on May 12 expressed the view that "Yen's attempt to detain the customs revenue will end in failure owing to the attitude of the Tientsin Commissioner of Customs and should Yen attempt to force the issue by military means it is believed the General's attempt will involve international complications." The dispatch stated further that it was reported in Tientsin that the Tientsin customs revenues were being remitted to Shanghai through a foreign bank following the refusal of the Bank of Communications (Chinese bank) to handle the transactions.

On May 11 the foreign newspapers in Shanghai published a *Rengo* report from Peiping which quoted Putnam Weale as claiming that Marshal Chang Hsueh-liang had definitely decided to come in on the side of Gen. Yen Hsi-shan and was immediately dispatching a force of 80,000 troops to assist the Northern coalition against the National Government. This report was naturally denied immediately by Nanking, but of special interest in connection with the situation in the North are the following paragraphs from a well-informed resident in Peiping who is in a position to sense the situation from a neutral foreign standpoint,

"One thing which may be accepted, almost for a certainty, is that Fengtien will remain neutral in the event of actual hostilities. They are just as much fed up with Yen as with anyone else and would like to welcome an era of peace. As in any political or military group composed of so many factions, it will either take a long time to cement all cliques, or else the constant menace of a disagreement will prevent any decided action. This, apparently, will in the long run enable Nanking to come through again and put down the rebels by the waiting policy she seems to have adopted. Lack of money and supplies are very serious factors in the path of Northern success. Bombing squadrons under Nanking's control will count for as much as several tens of thousands of soldiers when fighting occurs....The real situation seems to be that the Northerners have felt that they were given no voice or prestige in the Nationalist Government and even minor officials appointed here in the North were men from distant southern provinces ....It has been this disgruntled feeling and the subtle promise of a return of the Capital as played up by Yen and Feng, that has given the present situation in the North the appearance of a popular quaisi-rebellion of the masses.....At heart, most of the Chinese, that is the shopkeepers and middle class, admit that the Government in China for the past two years has been better than they had before. But business has been bad and there has been too much political propaganda and too little practical remedy..... Therefore, the wish being father to the thought, anything or anyone promising relief, is the man of the hour. Feng always has been able to ride the crest of popular opinion and never less so than today with his back to the wall.....Nanking could have used a little more diplomacy to better effect after the occupation of Hopei and Shantung.....Of course the pity of the whole thing, is the fact that the people are unable to see their so-called deliverers can produce nothing better and in all probability will make their plight much worse. Recent anti-Chiang Kai-shek mass-meetings in Peiping have not attracted much enthusiasm and have been attended largely by school children and municipal employes given a holiday and ordered to attend....Business is going on as usual and there is little of the expectant tenseness that one can sometimes sense when developments are expected in a locality in China."

That there was little or no foundation for Mr. Weale's declaration that Marshal Chang Hsueh-liang had joined the Northern Coalition was definitely indicated in an interview with Quo Tai-chi, a well known member of the Kuomintang, who is now in Tientsin. Mr. Quo recently was in Mukden and his interview, referred to elsewhere in this issue of The Review appeared originally in the North China Star on May 8. As stated in the preceding paragraphs of this discussion, the only interest in Mr. Weale's expositions is the insight which they give regarding the political motives behind the present so-called Northern Coalition. Hence basing our judgment purely on what Mr. Weale has said, the real purpose behind Gen. Yen's move, is to restore the Capital to Peiping; to stop the revolutionary processes which are at work in the country; to restore North China to its previous position of dominance in Chinese affairs—and also, possibly, provide Mr. Weale with something to write about!

The Recent Korean Attack on Japanese Consulate at Harbin

In connection with the recent attack on the Japanese Consulate at Harbin by Korean students a correspondent writes: "It is rumored that the Chinese authorities find fault with the Japanese. Being aware of some movement among the Koreans residing in the town the Chinese authorities, it is said, tried to obtain the consent of the Japanese Consul at Harbin to take precautionary measures, one of the measures proposed being a census of the Koreans to be made by the Chinese police. But the Japanese consul repudiated the offer on the ground that such action on the part of the Chinese authorities would be tantamount to an infringement on the rights of extraterritoriality. Thus, after hindering the Chinese authorities of Harbin from taking necessary precautions, the Japanese themselves, though they knew well of the hostile attitude of the Koreans towards the Japanese in Harbin had not done anything to safeguard themselves. Now they will blame the Chinese as incapable of securing safety for the Japanese representatives in China."

Nanking's Drive to Head Off Formation of Opposition Government in Peiping

Telegrams from Gen. Chiang Kai-shek's headquarters at Hsuchowfu on Thursday, May 15, which were circulated by the *Kuo Min* news agency, announced the capture of Kweiteh, strategic point in eastern Honan on the Lung-Hai railway. Further reports from Hankow announced that the Government's troops operating on the Peiping-Hankow railway were closing in on Sincheng, southward of Chengchow and that the drive on Chengchow from both south and east was starting immediately.

THE DECISION of General Chiang Kai-shek and other leaders in the National Government at Nanking to change their policy from defensive to offensive, apparently was taken for the purpose of heading off the movement which has been crystalizing in the North for several weeks looking toward the formation of an opposition Kuomintang government. A further element in Nanking's decision to launch a punitive expedition against the northern military leaders, Yen Hsi-shan and Feng Yu-hsiang, was Yen's announced intention to seize the Tientsin customs revenues. A still further element was the decision of Yen and Feng, following their conference at Chengchow, to launch a drive against Gen. Chiang Kai-shek's headquarters at Hsuchowfu in northern Kiangsu at the junction of the Lung-Hai and Tientsin-Pukow railways. But while the Tientsin customs question and the announced Yen-Feng drive were contributory elements, the probabilities are that Nanking's chief purpose is to head off if possible the formation of a rival Kuomintang government in the North.

While politics often is responsible for strange bed-fellows in any country, the probabilities are that Chinese politics never produced a stranger political combination than that now existing in the North. This situation is based on the recent announcement that two previously well-known Northern politico-military figures, Sun Chuan-fang and Chi Hsieh-yuan, have emerged from long enforced retirement within the Japanese sanctuary at Dairen and have joined the Yen-Feng military combination against Gen. Chiang Kai-shek. The inner politics in this recent development is based on the hope in the North that these two generals, previously controllers of the lower Yangtsze provinces, will be able to win over to the North a considerable portion of their former troops now serving under the banner of the National Government. A Japanese *Rengo* news report from Peiping on May 11 stated that Gen. Chi Hsieh-yuan had been nominated by Gen. Yen as "pacification commissioner" of provinces north of the Yangtsze and that Gen. Sun Chuan-fang had been nominated for a similar position over provinces south of the Yangtsze and that both had departed for Taiyuanfu for the purpose of conferring with Gen. Yen. The Japanese report concluded with the naive statement that "these old hands in the civil war will have much influence in modifying the attitude of many of the neutral military commanders, who previously were under these two generals." Thus we have the interesting spectacle of two former Northern military commanders, once bitter enemies, now joining hands with the other Northern generals against the rising power of the National Government. The northern, or "rebel" camp now includes Gen. Yen Hsi-shan, controller of Shansi and Hopei (Chihli) provinces; Marshal Feng Yu-hsiang, controller of Kansu and Shensi provinces; Chi Hsieh-yuan, who has been promised control of Anhwei and Kiangsu and Sun Chuan-fang, who has been promised control of Chekiang, Fukien and Kiangsi.

Thus, leaving aside the political element which has been injected into the Northern Camp by the Left and Extreme Right wings of the Kuomintang, the stage has been set for a reversion to the old military checker-board situation which existed in China for so many years following the First Revolution in 1911. This, apparently, is the explanation of the declarations which have been circulated from Gen. Yen's headquarters referring to the efforts which are being made to "restore the North to its former position," or as Putnam Weale expresses it, "the program of North China is to interrupt the so-called revolutionary movement."

But while the Northern militarists, but particularly Gen. Yen Hsi-shan and his immediate associates of the old Chihli and Anfu parties have rearranged the political stage to their liking, another political element, the estranged Left Wing and Extreme Right Wing Kuomintangists have injected themselves into the Northern situation in a way that obviously must be embarassing to the military leaders of the rebellion against the National Government. While many announcements have been circulated by representatives of various Kuomintang factions in the North, the clearest statement to be issued regarding policy was that issued by Quo Tai-chi, former Commissioner of Foreign Affaires at Shanghai and Vice-Minister of Foreign Affairs in the National Government. After his retirement from the Government, Mr. Quo was appointed Minister to Italy but never proceeded to his post. Now, he apparently has joined the opposition Kuomintang leaders in the North and simultaneously with his statement issued from Tientsin on May 8 was an announcement from Nanking early this week "that Quo Tai-chi had been relieved of his post." In Mr. Quo's statement he said nothing about military dictatorship in the North but declared that the present move "is a struggle of the Kuomintang against the military dictatorship of Nanking." Continuing, Mr. Quo stated that a manifesto shortly would be issued outlining the views of Wang Ching-wei, leader of the Left Wing faction, who is now residing in the British colony of Hongkong. In reference to Wang Ching-wei, Mr. Quo denied that he was a "Left Wing" leader, but is a "united party leader." He claimed that while Wang had been painted "red" and "pink" that he was neither, having taken the initiative in breaking with Borodin and the Communists at Hankow. In reference to the question of policy toward the Soviet, Mr. Quo declared, "we are certainly in favor of regularizing our relations with Russia on the basis that Russia will refrain from interference in China's internal affairs." Mr. Quo's interview had much to say about military dictatorships and the realization of Dr. Sun Yat-sen's principle pertaining to the

"people's livelihood," claiming that the "extreme" military policies of the National Government had made it impossible to put the Sun Yat-sen program into effect.

Mr. Quo did not state whether Wang Ching-wei would proceed to the North immediately, but did make an important statement regarding the attitude of Marshal Chang Hsueh-liang, head of the government in the Three Eastern Provinces. In Mr. Quo's opinion, Marshal Chang will remain neutral in the present crisis, the chief reason being Manchuria's delicate diplomatic position in respect to Japanese and Soviet Russian aggression. Also, Manchuria is still suffering from the strain of the recent conflict with the Soviet over the C. E. R. question. In conclusion he said that Marshal Chang Hsueh-liang is "highly sympathetic" toward Wang Ching-wei. A *Reuter* report from Peiping on May 5 stated that Chang Hsueh-liang had asked Nanking to remit the sum of $10,000,000 for the construction of new gunboats.

Despite Mr. Quo's announcement regarding prospects for the early formation of an opposition Kuomintang government in the North, reports which have appeared in the foreign newspapers in the North as well as the Chinese newspapers at Shanghai, do not make the situation appear so favorable. A report by the *Kuo Wen* (independent) Chinese news service from Peiping which appeared in the *North China Star* on May 7 stated that as a result of a further conference in Tientsin a "new understanding" had been reached for the solution of party difference and the establishment of a new government in Peiping. The terms of this new understanding were stated to be "closely guarded" but that Wang Ching-wei had telegraphed his approval. It was stated that a manifesto, presumably drafted by Mr. Wang, would shortly be issued in the names of the committees of the so-called Shanghai and Canton congresses. Also it was stated that Mr. Wang "would come to the North" as soon as the manifesto had been issued. Another message, also by the Kuo Wen service, quoted Chen Kung-po, an associate of Wang Ching-wei, as declaring, "the burning question today was how to reconcile the differences between the members of the second central executive committee elected by the party congress in Canton and those elected at another party congress in Shanghai."

Some inkling as to the real problem of the Kuomintang leaders in the North in respect to their relations with the northern militarists, was provided in Mr. Chen's interview wherein he declared that "Gen. Yen Hsi-shan, the Shansi leader had gone on record as favoring a united Kuomintang *and would not express himself on the subject again*, these words seemingly indicating that the Shansi "model" governor is becoming more or less impatient at the squabbling which has been going on in his camp between the Kuomintang factions. Mr. Chen claimed, however, that Gen. Yen had sent representatives to Hongkong to escort Mr. Wang to Peiping, and that a new government shortly would be established in Peiping. As to the settlement of Party affairs, Mr. Chen declared that *"there would be no progress until after the Northerners had captured Hsuchowfu"*.

Of indirect interest in connection with Kuomintang politics in the North was the announcement at Peiping on May 7 that the National Government had remitted the sum of $300,000 for the payment of the salaries of teachers in the various government universities. One of the education leaders in Peiping was quoted in the *North China Star* as saying, "the lot of university teachers has considerably improved since 1928, despite occasional delays in remittances from Nanking. In the years before the Nationalist occupation of Peiping in June, 1928, a university teacher had to wait for months before he was able to obtain a fraction of his month's pay, but this is no longer the case now. In fact the universities have not yet defaulted on their salary payments to the teachers, thus far." In addition to Nanking's action in paying the Peiping university teachers' salaries, there have been the recent national Boy Scouts Convention at Nanking, National Athletic Meet at Hangchow and the National Educational Conference at Nanking, all indicative of the tendency of students as well as teachers throughout the country to look toward the National Government as the central authority of the country.

Thus far there have been no authoritative reports regarding the results of the conference held Yen Hsi-shan and Feng Yu-hsiang at Feng's headquarters at Chengchow, Honan. A *Reuter* report from Peiping, dated May 3, quoted Dr. Chu An-hsiang, director of the Northern foreign affairs department in Peiping as declaring "the ties of friendship between Yen and Feng are very strong and cannot be in any way alienated, and the 2nd and 3rd Column Armies are in perfect cooperation. The various armies are united together and determined to overthrow Gen. Chiang Kai-shek and military success is certain while definite agreements concerning party affairs have been reached." However, reports from Peiping which have appeared in the Shanghai Chinese newspapers are not so optimistic. A report from Peiping which appeared in the *Sin Wan Pao* on May 14 quoted an unnamed Japanese official who had recently returned from Chengchow as stating that the conference between Yen and Feng "had resulted in nothing but wide differences of opinion. Feng had maintained that party-political affairs should await Northern military success, while Yen had insisted upon the consolidation of close relations with Marshal Chang Hsueh-liang of Manchuria. Yen, apparently, had also insisted that a government be established immediately as a means of ironing out political differences as well as consolidating the forces of the so-called "grey" (uncertain as to allegience) military forces operating in eastern Honan and western Shantung. A further reference to the efforts of the Kuomintang leaders in the North to settle their differences and issue a proclamation, also appeared in the *Sin Wan Pao* on May 14 to the effect that parleys had been opened in Peiping on May 13 participated in by Chen Kung-po, Wang Fa-ching, Hsieh Shih, Tan Chen, Mao Chu-chuen, Fu Shu-lin, Pei Yung-ti, Quo Tai-chi, and others at which time the contents of the much discussed Wang Ching-wei manifesto had been discussed. It was stated that Chen Kung-po had been instructed to send

another telegram to Wang Ching-wei asking him for a further explanation of the contents of the drafted declaration of the Second Central Executive Committee at Canton. It was also decided to send telegrams to Yen Hsi-shan, Feng Yu-hsiang, Shang Chen, Hsueh Tu-pei, Chao Tai-wen, Chao Pai-lin, Chow Lu and others reporting the "satisfactory" progress of Party affairs.

A further message by the Kuo Wen agency on May 7 stated that a further effort was to be made to hold a conference of right and left wing Kuomintang leaders in Peiping and that a telegram had been sent to Taiyuanfu urging those party leaders residing in Yen's headquarters to come to Peiping. This telegram was signed by Chen Kung-po, Tan Chen, Fu Ju-lin, Chang Chi-pen, Mao Chu-chuan, Quo Tai-chi, Gen. Hu Tsung-tu, Gen. Yeh Chi, and Gen. Tao Yeh-kung.

NANKING OFFENSIVE STARTS ON HSUCHOWFU FRONT

Nanking's decision to take the offensive in Northern Kiangsu as well as in western and northern Shantung apparently coincided with the departure of Gen. Chiang Kai-shek from Nanking for the front on May 8 and also the decision of the Nanking military commanders to send the new model First Training Division to Hsuchowfu. Reports from Peiping on May 7 and 8 indicated that the North was beginning to feel the pressure, it being stated that Gen. Yen Hsi-shan had returned to Taiyuanfu from the Chengchow conference "earlier than was expected," and that Marshal Feng had also departed from Chengchow for a small town called Siaoyi, located on the Lung-Hai line to the west of Chengchow. The early departure of the two leaders from Chengchow may have been precipitated by the Nationalist action in air-bombing Feng's headquarters causing serious destruction, according to reports from both Peiping and from the Nationalist headquarters. While the reports of damage may have been exaggerated, the Chengchow chamber of commerce sent a wire to the Shanghai chamber of commerce urging the government to discontinue the air-raids owing to alleged damage to civilian property.

The fighting, up to the present, apparently has been in the nature of clashes between the Government troops and the so-called "grey" troops of Gen. Sun Yien-yin along the northern Kiangsu, Anhwei and eastern Honan borders and between the Shantung provincial forces and those of Gen. Shih Yu-shan in western Shantung. A telegram from Gen. Chiang Kai-shek's headquarters at Hsuchowfu on May 13 stated that the 10th Division under Gen. Yang Sen-chi had occupied the town of Pochow, located just inside the northern Anhwei border and that large quantities of munitions had been captured. The rebels were stated to have fled in the direction of Kweiteh, a strategical point held by the Northern forces in eastern Honan on the Lung-Hai railway. A further reference to this engagement issued by the *Kuo Min* (official) agency from Nanking stated that Pochow had been held by the rebel commander Sun Tien-ying and that he had retreated after a brief engagement.

A *Reuter* report from Peiping, dated May 14, which appeared in the Shanghai foreign newspapers stated that the military headquarters of the Northern Coalition had announced that Gen. Yuan Tsao-chang, commander of the 55th Shantung Division, had rebelled against Gen. Chiang Kai-shek and joined up with the Northern commander Gen. Shih Yu-shan. The report alleged that in consequence of Gen. Yuan's action that communication between the regular Nanking troops and those of Gen. Chen Tiao-yuan, chairman of the Shangtung Provincial Government, on the Tientsin-Pukow railway had been interrupted. This report, however, was denied by the Nationalist headquarters.

Further Nanking Victories

The *Kuo Min* news agency on May 15 announced that 10,000 of Gen. Sun Tien-yin's troops and 7,000 rifles, and six field-guns had been captured at Pochow. A further report by the *Kuo Wen* agency claimed that Houchow in the same region was occupied and also a large number of prisoners captured. It was stated that Gen. Sun Tien-yin's forces had fallen back toward Kaifeng which was being bombed by the Nationalist forces and was expected to fall shortly. The headquarters of the 2nd Army Corps was advanced to Tangshan near the Kiangsu-Honan border following receipt of news of the capture of Yucheng from the rebel commander Wan Hsuan-tsai. The capture of these places was responsible for the report that both the right and left wings of the Northerners were falling back and the occupation of Kweiteh by the Government's troops was expected shortly. A report from Hankow on May 14 claimed that the Government's forces on the southern end of the Peiping-Hankow line were advancing toward Chengchow, from the Linying-Yehhsien region in central Honan. All foreign residents of Chengchow, Honan, have been ordered to evacuate. A report from Tsinan, capital of Shantung, also on May 14, stated that Gen. Chen Tiao-yuan had departed from Tsinan for the city of Tsining in southwestern Shantung in order to direct the attack on the troops of Gen. Shih Yu-shan which were advancing in that region. Nanking announced the establishment of concentration camps and Pengpu (Anhwei and Wuchang (Hupeh) for the incarceration of prisoners.

Also Gains at Canton

A *Kuo Min* dispatch from Wuchow dated May 13, claimed that the Government forces at Canton had occupied the city of Sunchow on the upper reaches of the West River and that the fall of Kweihsien another city in the same area was expected. Another force from Yunnan, cooperating with the Cantonese forces had advanced to Poseh and stated to be engaging the Kwangsi forces under Gen. Li Tsung-jen.

The Japanese *Rengo* service on May 14 reported from Nanking that the Government troops had occupied Mamuchu a short distance eastward from Kweiteh and that the rebel forces under Gen. Shih Yu-shan had retreated across the Yellow River.

DEVELOPMENTS ON THE COMMUNIST FRONT

Canton, May 6— Withdrawal of troops from rural sections of Kwangtung due to fighting against Kwangsi forces and "Ironsides" has caused development of serious bandit conmunist menace resulting in complete stoppage of business; 498 shops in Canton have gone bankrupt.

Amoy, May 7.—Gen. Chang Chen, commander of Fukien provincial units sent troops to Chanping and Huaan and Lungnai district to pursue retreating bandit-communist force.

Tsingtao, May 8—Several hundred bandits under chief Lee Hsiao-chin occupied a number of villages in Kiaohsien district which plundered and burned. Magistrate ordered out militia but bandits disguised themselves as militiamen and launched a surprise attack defeating militia causing many casualties; magistrate asks for reinforcements.

Nantungchow, Kiangsu, May 8— Chiyeh market looted by combined force of communists and bandits; two policemen seriously wounded defending place; bandits retreated before reinforcements arrived.

Jukao, Kiangsu, May 8—Fourteen farmers killed in fight between communist-bandits and soldiers 12 miles south of Jukao; bandits withdrew before provincial troops arrived.

Taichow, Chekiang, May 8—Boat Da-wa, which left Shanghai for Haemeng, pirated at point near Zihpu near Wenchow.

Shanghai, May 9.—Newspaper *Sin Wan Pao* published report from Kaifeng, Honan, claiming approximately 15,000 persons killed by large bandit gang ravaging Yung-Yang district of Honan; bandits numbered 3,000 to 4,000; wealthy people taken as hostages; reported 10,000 houses burned and looted.

Swatow, May 9.—Taipo, district north of Swatow occupied by Reds, section of Chu-Mao gang numbering more than 1,000; reds routed by government troops after six-hour fight; district revenues stolen.

Hankow, May 9— Communists victorious over provincial militia at Mienyang, also menacing Fengkou; militia defeated, 100 wounded and later executed; captain of militia tortured and one of richest men in district hacked into four pieces as warning; Li fong, representative of Nanking foreign Office who visited Hankow recommended foreigners evacuate communist-infested areas.

Wuhu, Anhwei, May 10.—Reports from Suencheng indicate serious bandit menace; troops dispatched to district.

Changsha, May 10.—Bandit-communist gang under Pang Teh-hui occupied Pingkiang about 40 miles from Changsha; martial law declared in Changsha due to alarm created by arrival of refugees.

Nanchang, May 11—Force of communist-bandits numbering more than 1,000 invaded station Tehan on

Nan-Sueh railway; rails removed, telegraph lines cut; bandits-communists dispersed by militia, railway restored.

Hankow May 11—Hunanese communist-bandit force under Pang Teh-hui attempting to invade Yehchow and southern Hupen; Ho Chien asked that 22nd Division be moved to Tungchung to oppose menace.

Huchow, Chekiang May 12—Government troops forced to fire on mob of people at Szeancheng, near Huchow, about 70 miles from Shanghai; rioting due to serious rice shortage resulting in looting of rice shops.

Nanking, May 12—Government troops defeat and kill 96 bandits of force which occupied Kiangshucheng on border of Kiangsu and Anhwei; bandits fled to northwest.

Nanchang, May 12—Preparations completed for anti-bandit-communist drive in Kiangsi, Hunan and Anhwei. Gen. Chang Hui-tsang of 18th Division departed for Changsha to assist in operations under Gen. Chin Honting, while another provincial force under Com. Chu Yao-hua advancing toward Shaosui in southwestern Kiangsi with the object of surrounding the outlaws in the Pingkiang destrict; Hunan troops guarding the Hunan-Kiangsi border.

Changshu, May 12— Gen. Tao Kuang arrived at Pingking to direct the drive agginst the communist leader Pan Teh-hui; Gen. Ho Chien, chairman of Hunan forces also proceeding to Pingking to assist in campaign.

Shanghai, May 13— Gen. Hsiung Shih-hui, gendarmerie commander at Shanghai, recently appointed commander-in-chief of bandit-suppression forces in Chekiang, Kiangsu and Anhwei, announced his plans completed for general campaign.

Hankow May 13—Hankow provincial headquarters ordered Gen. Lu Lin to immediately send troops to Pingkiang due to request for help from Hunan authorities. Two bombing planes also dispatched to district.

Hongkong, May 13— Dispatches from Shingninghsien report bandit-communists under leaders Chu and Mao have reached Lukang, about 8 miles fron Shingninghsien; Canton dispatched Gen. Chen Kwang-han and force to district.

Hankow, May 15—Dispatch by Japan's *Rengo* service stated refugees daily streaming into Hankow from Hupeh province, being stated that much of rural section of province controlled by communist gangs; band of bandits invaded district near Tsaitien, located 20 miles from Hankow; reported 50,000 refugees have fled from this district alone; house rents in Hankow concessions mount as refugees come in.

The Sino-Russian Situation on the Eve of the Conference

WHILE the Chinese delegation which departed for Moscow on May 1 was officially instructed by both the Nanking and Mukden government not to discuss anything except matters pertaining to the administration of the Chinese Eastern Railway, there is serious apprehension in China regarding the outcome of the conference. The chief reason for China's anxiety regarding the outcome of the Moscow conference is that China, with a civil war on her hands is in no better condition to face the Russians now than she was last summer and fall during the course of the complications over the Chinese Eastern Railway. A further cause for Chinese anxiety is that while China has instructed her delegates to confine their discussions to C. E. R. questions, the Soviet is just as insistent that the Chinese delegation be empowered to discuss other political and diplomatic issues outstanding between the two countries. Two immediate questions which the Russians desire to settle are navigation rights on the Sungari River in Manchuria and the question of Chinese recognition of the independence of Mongolia. Also in the background is the Soviet desire to re-establish complete diplomatic relations with China, a matter of most serious concern to the Chinese due to the existence of an active communistic movement in the southern Chinese provinces.

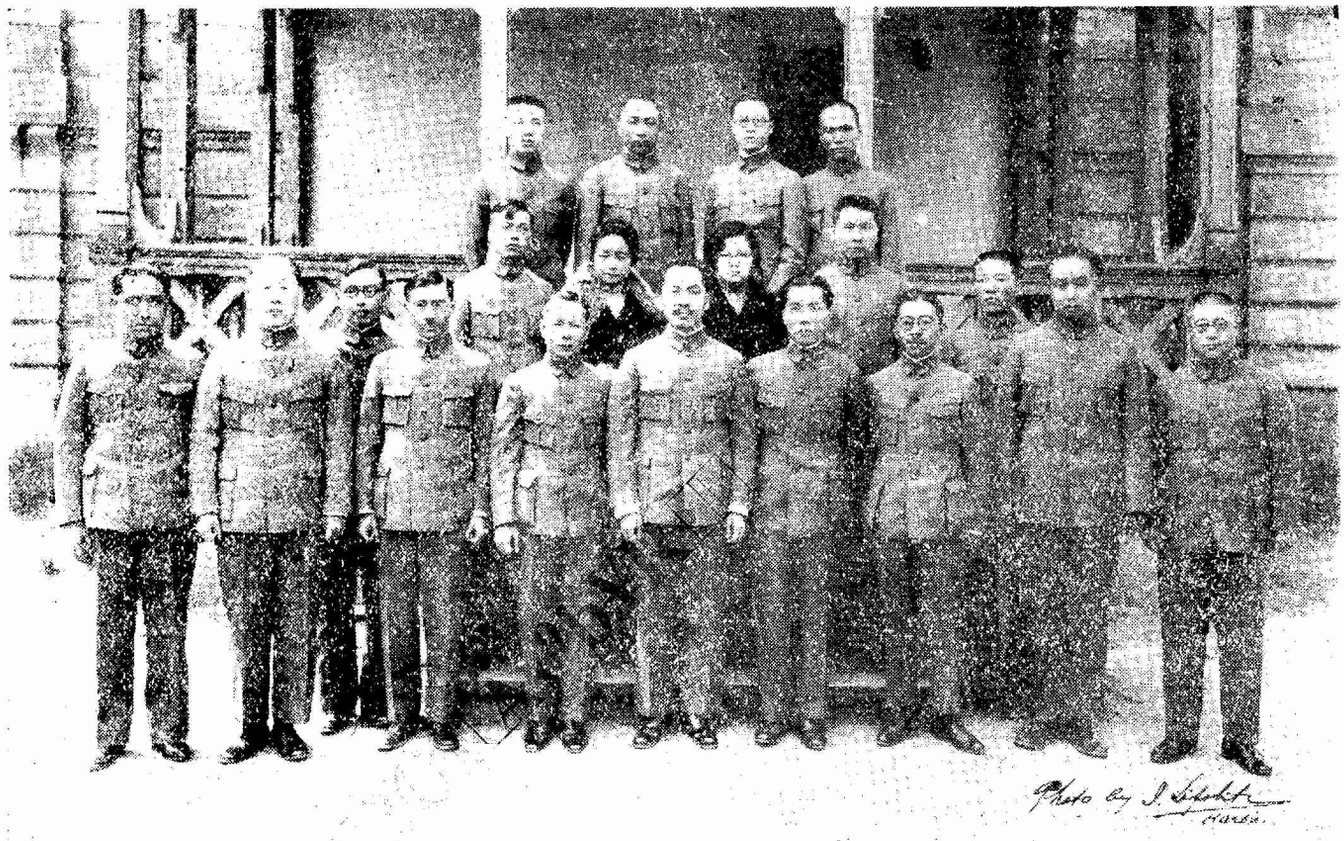
The Chinese delegation apparently had anxieties along other than diplomatic lines, for according to a report from Harbin, they took along with them two full car-loads of food, thought sufficient to feed the twenty-one members of the party for a period of three months. Their baggage also included two motor cars, the Chinese apparently not placing much dependence upon Russia for either sustenance or transportation while in Moscow. Another car attached to the "diplomatic special" contained several hundred pounds of documents, maps and reports for the use of the delegates. Mr. Mo Teh-hui, chairman of the Chinese delegation, who only accepted the post after much urging on the part of both Mukden and Nanking, is 48 years of age and a native of Manchuria. He was born at the village of Chaotsenpu near Harbin, when that section of Manchuria was a wilderness and the C. E. R. was only a dream in the minds of St. Petersburg's officialdom. He attended school in Tientsin and after graduation was appointed to an official post in the Harbin district. He served on threee occasions in the old Parliament at Peking, was once governor of Mukden and later Minister of Agriculture in the Peking Government. He got into trouble with Yuan Shi-kai, because of his opposition to Gen. Yuan's policy of borrowing foreign money. While there has been no official announcement of Chinese policy in respect to the Moscow conference, Mr. Mo stated in a newspaper interview in Harbin, prior to his departure that he hoped to be able to conclude arrangements whereby China could purchase the Soviet interests in the railway, in which connection it has been rumored in Harbin that China has given the French Government assurances that efforts will be made to reimburse the French bondholders for advances made to the Russo-Asiatic Bank (financial organ of the railway) during the construction of the line. It was therefore not without significance that the French Minister to China, Count de Martel spent considerable time in Harbin conferring with Chinese officials prior to the departure of the Chinese delegation. It was also considered of some significance that French interests established in Harbin last summer, a new bank, known as the Franco-Asiatic Bank and announced that the new financial organ held power-of-attorney for the French bondholders who had invested in the Russo-Asiatic Bank, now under process of liquidation by the Chinese government.

In the address delivered in Harbin prior to his departure for Moscow, Mr. Mo made a strong appeal for the support of Chinese public organizations in his difficult task of trying to reach an understanding with the Russians on the question of the control of the railway. The Chinese organizations, particularly the chambers of commerce in Manchuria promised him their support and at the same time handed him voluminous lists of claims amounting to nearly $200,000,000 (silver) which Chinese merchants alleged they had suffered as a result of Soviet activities on the Chinese frontier during the course of the conflict last summer and fall. The claims included steamers seized and sunk on the Sungari and Amur, rail-

way locomotives and trains bombed by Soviet airplanes, towns destroyed, cattle and horses driven away and confiscated grain. Even as recent as May 2, the day following the departure of the Chinese delegation from Harbin, the Ministry of Foreign Affairs at Nanking announced that "depradatory activities of the Bolshevik troops along the eastern Manchurian frontier in the neighborhood of Taheiho (across the Amur from Blagovestschensk) had been revived; a number of Chinese citizens had been killed, while farming implements and horses belonging to Chinese farmers had been carried away." The Chinese commissioner for foreign affairs stationed in the town of Manchouli on the Chinese side of the line at the western end of the C. E. R., reported to Mukden and Nanking that between the 1st and 10th of April a dozen artillery shells fired from the Soviet side of the boundary had fallen in the streets of the city. Whether this resulted from reckless artillery practice by the Far Eastern Red Army, or designedly for the purpose of bringing pressure on the Chinese in connection with the Moscow conference is not known. The shells fell in the edge of the city after nightfall when the streets were deserted and no one was injured, but the Chinese officials sent the evidence in the form of fragments of shells to Mukden and demanded a protest. The Japanese consul stationed in Manchouli, who didn't wish to take any chances, went across the line and lodged a personal protest with the Soviet military commander in charge of the district, urging him to exercise more care in the selection of targets for his artillery!

A further source of complications is due to the alleged action of the Soviet authorities in Siberia in continuing to hold a considerable number of Chinese at Vladivostok on charges of spying, counter-revolutionary activities or "disturbing finances" through exchange activities in connection with the Soviet gold rouble which can be purchased on the Chinese side of the line at a much lower rate than the official government rate on the Russian side of the line. The Chinese allege that their citizens are still being held on account of the Sino-Russian crisis last summer, whereas both governments agreed upon a mutual release of prisoners at the time of the Habarovsk conference which concluded the trouble last December.

Conditions in Harbin and North Manchuria have been none too satisfactory since the restoration of "peace" between the two countries last year. In a sense the relations between the Chinese and Red Russians have been somewhat reversed from the status that prevailed before the conflict last year. Chinese officialdom in North Manchuria ruled with a strong hand over the more than 100,000 Russians residing in Chinese territory. During Czarist days of "imperialism" on the C. E. R. the sidewalks in Harbin were largely reserved for the use of Russians and if they happened to be crowded the Chinese were elbowed into the street. After the Russian revolution and the Chinese obtained the upper hand, the process was reversed and if anybody walked in the street it was the Russians and not the Chinese. Now it is reported that before the Chinese "elbow" any Russians into the street,



The Chinese Delegation to the Chinese Eastern Railway Conference in Moscow, now in Session. Those in the picture are, *Front Row* (left to right) Wang Huang-wen, Wang Ying-chuen, Sun Wen-tu, Tu Wei-tseng, Liu Tze-yung, Mo Teh-hui (Chairman), Li Sheng, Wang Tseng-en, Tsi En-fu, Tsai Yung-cheng and Chng Ming-chi. *Middle row* (left to right) Nan Wen-ming, Miss Tsau Shu-yen, Miss Ching Shou-cheng, Hsieh Yeh-hsing. *Back Row* (left to right) Wu Chia-lo, Dau Kwei-ling, Feng Chi and Fu Hsiao-yen. In addition to the foregoing delegates, secretaries, technical experts and interpreters the Chinese party included two Chinese chauffers and two cooks.

Mr. Mo Teh-hui, Chief of the Chinese Delegation to the Moscow Conference is a native of Manchuria. He was born at the village of Showtsenpu, near Harbin in 1882 and after graduation from the Tientsin Higher School where he specialized in law and police administration, he returned to Manchuria and was appointed to a position in the Harbin District. He served for three terms in the Peking Parliament, was Governor of Mukden and Minister of Agriculture in the Peking Government. He first attracted political attention through his opposition to President Yuan Shih-kai's policy of floating foreign loans.

they first enquire whether he is a "Red" or a "White." If he happens to be a "Red" he continues to walk on the sidewalk. The Chinese also allege that the new Soviet management on the railway has imported several hundred "ruffians" allegedly ex-members of the Far Eastern Red Army who are employed on the C. E. R. and are used for intimidating the Chinese and enforcing Soviet "rights." One of the Soviet officials on the C. E. R. told one of the foreign consuls in Harbin that in the event of another crisis on the railway these men would be armed for the purpose of protecting Soviet interests.

A still further source of Russo-Chinese complications in North Manchuria has been the influx of several thousands of Russian peasants into Chinese territory from Siberia, most of them being of the "Kulaki" class, forced out of Russia through the enforcement of the land socialization program. The number that has entered North Manchuria, especially Kirin and Heilungkiang provinces in recent months is not known and has been reported as high as 50,000. A foreigner in the employ of the Chinese Customs station at the town of Pogranictnaya stated that there were more than 1,000, including men, women and children, camped in that city for weeks. They had managed to escape across the boundary but lacked funds to proceed to Harbin, the mecca of all Russian refugees. Reports from Harbin state that many thousands have reached that city and have constituted a serious burden for charitable organizations, especially on account of the business depression when no work is available. The Soviet authorities on the border have used extreme measures to prevent the Kulaki peasants from leaving Russian soil, even to the extent of mounting machine guns adjacent to roads leading into Chinese territory. At Pogranictnaya, the crossing point for travelers from Vladivostok, the Soviet officials mounted searchlights along the border to prevent the peasants from crossing at night. The Rev. Charles A. Leonard, an American Missionary residing in Harbin who spent much time in the border districts in connection with relief work during the past winter, in a report to the American Red Cross, stated that he had personal knowledge of large numbers of Russians, Koreans and Chinese being mercilessly shot down by the Soviet authorities for attempting to cross the boundary into Chinese territory without the permission of the Soviet guards. Rev. Leonard also alleged that the Soviet "G. P. U." had not hesitated to cross into Chinese territory to attack those who were fleeing from Siberia, or to fire on boats crossing the Argun, Amur and Ussuri rivers, killing outright, or sinking the boats, causing the drowning of men, women and children. Rev. Leonard's report was in the nature of an appeal to the Red Cross to provide means for evacuating the Russian emigrees from Manchuria, alleging that their lives were unsafe and their condition precarious since the Soviet victory over the Chinese in consequence of thé C. E. R. complications last summer. His report stated that the refugees had brought with them a serious epidemic of typhus

(*Continued on page 469*)

The New National Factory Law

Translated by
NORWOOD F. ALLMAN AND LOWE CHUAN-HUA

Chapter I.

General Provisions:

ARTICLE 1. This Law shall apply to all factories where the machinery is driven by steam, electric, or water power and where in ordinary times thirty or more laborers are employed.

ARTICLE 2. When used in this Law, unless the regulations otherwise indicate, the term "Proper Authorities" means the municipal government in municipalities and the district government in the districts (Hsien).

ARTICLE 3. Factories shall keep a laborers' register and record fully the following particulars concerning each laborer:—

1) Name, age, birthplace and address;
2) Year and month of entry into the factory;
3) The kind of work, hours and remuneration;
4) Skill and conduct;
5) Efficiency of work;
6) The rewards and penalties received in the factory;
7) The kinds of illness suffered by the laborer and the causes thereof.

ARTICLE 4. Once every six months factories shall submit to the Proper Authorities a report, containing the following particulars:—

1) A register of the laborers' names;
2) Illness suffered by the laborers, treatment and results;
3) Accidents and measures taken for relief thereof;
4) The dismissal of laborers and reasons therefor.

Chapter II.

Child and Female Labor

ARTICLE 5. No person, male or female, who has not completed his or her fourteenth year shall be employed in any factory as a laborer.

Boys or girls above the age of twelve and below the age of fourteen who are already in employment prior to the promulgation of this Law may, with the consent of the Proper Authorities, have the age limit extended when this Law is put into effect.

ARTICLE 6. Males or females above the age of fourteen but who have not completed their sixteenth year shall be deemed child laborers and are permitted to perform light or easy work only.

ARTICLE 7. Child and female labor shall not be employed in the following work:—

1) In handling explosive, inflammatory or poisonous articles;
2) In places which are exposed to dust or poisonous odors and gas;
3) In fixing, cleaning, oiling, inspecting, or repairing moving machines, power transmitting equipment, or risky parts thereof, or in adjusting belts and ropes;
4) In connecting highly charged electric wires;
5) In handling molten metals or the residue thereof;
6) In handling furnaces or boilers; or
7) Other work that is immoral or of a dangerous character.

Chapter III.

Working Hours.

ARTICLE 8. In principle the number of working hours for adult laborers shall be eight per day; but may be extended to ten per day in cases of necessity due to varying local conditions or the nature of the work.

ARTICLE 9. All factories that use the system of day and night shifts shall so arrange their working schedules that the shifts for the laborers may be interchanged at least once a week.

ARTICLE 10. Notwithstanding the provisions of Article 8 the employers may, on the ground of natural, accidental or seasonal changes, extend the working day, but the total number of working hours shall not exceed twelve per day, and the overtime work shall not exceed thirty-six hours per month for any laborer.

ARTICLE 11. The regular working day for child laborers shall, under no circumstances, exceed eight hours.

ARTICLE 12. Child laborers shall not work between the hours of seven o'clock in the evening and six o'clock the following morning.

ARTICLE 13. Female laborers shall not work between the hours of ten o'clock in the evening and six o'clock the following morning.

Chapter VI

Rest and Holidays

ARTICLE 14. Any laborer who works continuously for a period of five hours shall enjoy half an hour's rest.

ARTICLE 15. All laborers shall have a full day's rest in every seven days.

ARTICLE 16. All factories shall cease work on holidays designated by law or orders of the Government.

ARTICLE 17. All laborers who work continuously for a fixed period shall be allowed a special holiday which shall be based on the following scale:—

1) All laborers who have worked continuously for more than one year but less than three years, shall be allowed a holiday period of seven days each year;
2) All laborers who have worked continuously for more than three years but less than five years, shall be allowed a holiday period of ten days per year;
3) All laborers who have worked continuously for more than five years but less than ten years, shall be allowed a holiday period of fourteen days a year;
4) All laborers who have worked continuously for more than ten years shall have an additional day for each additional year added to his holiday period, but the total number of days shall not exceed thirty.

ARTICLE 18. All laborers shall be paid their regular wages for the holidays and rest periods provided in Articles 15, 16 and 17.

In cases where the laborers do not wish to enjoy the special holiday to which they are entitled, their wages for the said period shall be doubled.

ARTICLE 19. Where military establishments or public utility works are concerned, the Proper Authorities may refuse to grant holiday periods whenever they deem such action necessary.

Chapter V.

Wages

ARTICLE 20. Minimum wages of the laborers shall be determined in accordance with the living conditions prevalent in the various localities in which the factories are established.

ARTICLE 21. Wages shall be paid by the factories to the laborers in the local legal tender.

ARTICLE 22. Regular wages based either on the time-rate or the piece-rate shall be paid to the workers at least twice a month. Wages shall be paid on fixed dates.

ARTICLE 23. Whenever an extension of working hours is made in accordance with Article 10 or Article 19, the laborers' wages shall be increased from one-third to two-thirds of their regular wages calculated on an hourly basis.

ARTICLE 24. Male and female laborers of the same occupation and of equal efficiency shall receive equal wages.

ARTICLE 25. Factories shall not deduct in advance the wages of the laborers as security for penalties for breach of contract or as indemnity for damages.

Chapter VI.

Termination of Working Contracts

ARTICLE 26. Contracts entered into for a stipulated period of time may upon expiration be renewed only by mutual agreement.

ARTICLE 27. In cases where the contract has no stipulation as to its term, the factory may cancel the same only by serving on the laborers a notice in advance. The time allowed by the notice shall be based upon the following scale, but this provision shall not apply to contracts which have stipulations concerning the manner of termination:—

1) Ten days' advance notice to laborers who have worked in the factory for more than three months but less than one year;
2) Twenty days' advance notice to laborers who have worked for more than one year but less than three years;
3) Thirty days' advance notice to laborers who have worked for more than three years.

ARTICLE 28. Laborers who have received notices of dismissal may ask for a leave of absence in order to apply for other jobs, but said leave of absence shall not exceed two working days a week. Wages during the said period shall be paid to said laborers.

ARTICLE 29. Factories which terminate the working contract in conformity with the provisions of Article 27 shall pay the laborers, in additon to their regular wages, half of the wages due for the period of notification as stipulated in the said Article. Failing to comply with the provisions of Article 27, the factories which desire summary termination of the working contract, shall pay to the laborers the entire wages for the period of notification as stipulated in the said Article.

ARTICLE 30. Factories may terminate the employment agreements with their laborers under any one of the following conditions, but must serve previous notices on them in accordance with the provisions of Article 27:—

1) When a factory totally or partially suspends operations;
2) When a factory either through natural disasters or the force of unforseen circumstances, is obliged to suspend operations for a period of over one month;
3) When a laborer is incapable of performing his work.

ARTICLE 31. Factories may terminate the employment agreements with their laborers without serving on them any previous notice under any one of the following conditions:—

1) When a laborer repeatedly violates the factory's regulations;
2) When a laborer fails to report for work without good cause for over three consecutive days or for over six days within one month.

ARTICLE 32. Laborers may terminate their working contracts by serving on the factories a notice of one week, in case said contracts have no stipulation as to the term thereof.

ARTICLE 33. Under any one of the following conditions the laborers may terminate their contracts with the factories without serving on the latter any previous notice:—

1) When a factory violates the terms of the working contract or any important provisions of the Government's labor laws;
2) When a factory fails to pay the wages at the proper time without just cause;
3) When a factory maltreats the laborers.

ARTICLE 34. Disputes arising from the interpretations and applications of paragraph 3 of Article 30, paragraph 1 of Article 31 and Article 33 may be referred to the Factory Council for settlement.

ARTICLE 35. Upon termination of the working contract, the laborers may request the factory to issue them certificates of work. But this stipulation shall not be applicable in cases where the workers summarily terminate their contract without conforming with the provisions of Article 32, or in cases where the contracts are terminated in accordance with any one of the conditions mentioned in Article 31. The certificates of work shall contain the following particulars:—

1) The laborers' name in full, age, birthplace and address;
2) The kind of work engaged in by the laborer;
3) The period of time during which the laborer was employed by the factory and his record.

Chapter VII.
Laborers' Welfare

ARTICLE 36. All factories shall provide supplementary education for the child laborers and apprentices, and shall be responsible for all the expenses incurred thereof. Such supplementary education shall not be less than ten hours a week. For other laborers who have no opportunity for education, the factories shall also establish within their means educational facilities. The time for conducting the above mentioned education shall be arranged outside of the working hours.

ARTICLE 37. Female laborers shall be given leave with full wages before and after child-birth, amounting altogether to eight weeks in duration.

ARTICLE 38. Factories shall to the best of their ability assist the laborers in establishing workers' savings and cooperative societies, etc.

ARTICLE 39. Factories shall to the best of their ability promote proper amusements for their laborers.

ARTICLE 40. At the end of each fiscal year, after due appropriations have been made for dividends and reserve funds the factory shall give those laborers who have no demerits during the year, either a reward or a share of the remaining profits.

Chapter VIII.
Safety and Sanitation

ARTICLE 41. All factories shall take the following safety precautions:—

1) Safety precautions against risks of personal injury to the laborers.
2) Safety precautions regarding the structure of the factory.
3) Precautions regarding the proper installation of machines.
4) Precautions for the prevention of fire and floods.

ARTICLE 42. All factories shall have the following sanitary provisions:—

1) Provisions for good ventilation;
2) „ „ pure drinks;
3) „ „ lavatories and toilet facilities;
4) „ „ light;
5) „ „ poison prevention.

ARTICLE 43. All factories shall give their laborers safety education.

ARTICLE 44. Whenever the safety or sanitary provisions of a factory are found inadequate, the proper Authorities may require improvement within a definite period of time, and in case of necessity may also forbid the use of any part of the factory.

Chapter IX.
Laborers' Compensation and Pensions

ARTICLE 45. Pending the enforcement of Workers Insurance Law, the factory shall pay to the laborers injured or killed in the performance of their duty all medical expenses and a sum based on the following scale. If, however, the capital of the factory is less than fifty thousand dollars. the factory may petition the Proper Authorities to reduce the sums to be paid.

1) For laborers temporarily incapacitated, the factory shall, besides bearing the medical expenses, pay them each day a sum amounting to two-thirds of their regular wage for a period of not more than six months. Upon the expiration of this said period, the factory may reduce the amount of compensation to half of the laborers' average wage for a period of not more than one year;
2) For workers permanently disabled in the performance of their duty, the factory shall pay a sum commensurate with the extent of the disablement. Such compensation, however, shall under no circumstances exceed three years' regular wages, or be less than one year's wages;
3) For laborers killed in the course of their employment, the factory shall, besides paying a sum of fifty dollars as funeral expenses, pay to the legal heirs a sum of three hundred dollars, plus two years' regular wages. The regular wage mentioned above shall be based upon the laborers' average wage during the last three months of their employment. Funeral expenses and pensions shall be paid at one and the same time, but compensation for injuries or sickness or disablement may be paid at regular intervals.

ARTICLE 46. Pensions provided for in the previous Article shall be paid to the wife or husband of the deceased laborer. Should the deceased leave no wife or husband, the pension, unless otherwise provided in the will of the deceased, shall be paid in the following order:—

1) Children
2) Parents
3) Grandchildren

4) Brothers and sisters

ARTICLE 47. Whenever a laborer urgently needs money on occasions of marriage or death, he may request the factory to advance him a sum not exceding one month's wages, or the whole or a part of his savings.

ARTICLE 48. Should any accident occur resulting in the death or grave injury to a laborer, the factory shall, within five days, report its occurrence and the consequent measures taken to the Proper Authorities.

Chapter X
Factory Council

ARTICLE 49, The Factory Council ahall be composed of an equal number of representatives from both the factory and the laborers.

The factory representatives on the Factory Council shall be selected from those who are familiar with the conditions of the factory and the conditions of the laborers.

The election of laborers' representatives shall be reported to and supervised by the representatives of the Proper Authorities.

ARTICLE 50. The duties of the Factory Council shall be as follows:—

1) To study the improvement of working efficiency;
2) To improve the relations between the factory and the laborers, and to settle disputes between them;
3) To cooperate in carrying out the working contract and the regulations of the factory;
4) To cooperate in discussing methods of extending the working day;
5) To improve the safety and sanitary conditions of the factory;
6) To submit proposals for the improvement of factory conditions;
7) To plan welfare enterprises for the laborers.

ARTICLE 51. Matters referred to in the previous Article and concerning one workshop only shall first be referred to the representatives of the workshop in question and the factory. Should the representatives fail to effect a solution or should the matter concern two or more workshops, then the dispute shall be submitted to the Factory Council for settlement. Should the Council fail to effec ta solution, then the dispute shall be settled in accordance with the Regulations for the Settlement of Disputes Between Capital and Labor.

ARTICLE 52. Laborers above eighteen years of age shall have the right to vote for the laborers' representatives on the Factory Council.

ARTICLE 53. Laborers who are of Chinese nationality, above 24 years of age and have worked in the factory for more than six months shall have the right to be elected as laborers' representatives.

ARTICLE 54. The number of representatives for either the factory or the laborers shall be limited to from five to nine.

ARTICLE 55. The Chairman of the Factory Council shall be elected alternatively by the factory representatives and the laborers' representatives. The Council shall have one regular meeting each month, but in case of necessity may call special meetings.

Chapter XI.
Apprentices

ARTICLE 56. Factories taking apprentices shall first conclude contracts with them or their legal representatives. The contract shall be made in triplicate, one copy for each of the contracting parties and one to be submitted to the Proper Authorities for registration. The contract shall contain the following articles:—

1) The name, age, birthplace and address of the apprentice.
2) The kind of trade the apprentice is to follow.
3) The date on which the contract is made and its duration.
4) Mutual obligations; should the apprentice be required to pay tuition, the amount and time for payment shall be stipulated. Where the contract of apprenticeship provided remuneration for the apprentice's service, the amount and time of payment shall likewise be stipulated. The above contract shall not restrict the apprentice's freedom to work upon the expiration of the apprenticeship.

ARTICLE 57. Neither male nor female persons below the age of fourteen shall be engaged as apprentices, excepting those who were already engad as apprentices prior to the enforcement of this Law.

ARTICLE 58. The hours of training for apprentices shall be governed by the provisions of Chapter III of this Law.

ARTICLE 59. Except for purposes of practice, apprenticcs shall not be engaged in any of the occupations enumerated in Article 7.

ARTICLE 60. Apprentices shall be diligent, obedient and loyal towards the officers and masters of the factory.

ARTICLE 61. During the whole term of apprenticeship, the apprentices shall be supplied with board, lodging, and medical care by the factory, in addition to a proper allowance for incidentals each month,

ARTICLE 62. Except in cases of great necessity, no apprentice shall leave the factory during the period of apprenticeship; otherwise the apprentice or his legal representative shall refund the board, lodging and medical expenses incurred by the factory during the period of apprenticeship already served.

ARTICLE 63. The total number of apprentices taken by a factory shall not exceed one-third of its regular workers.

ARTICLE 64. Should a factory take more apprentices than it can adequately train, the Proper Authorities may order a partial reduction, and also set a limit to the number of apprentices the factory may thereafter take.

ARTICLE 65. During the period of apprenticeship the factory shall to the best of its ability train the apprentices for the trade specified in the contract of apprenticeship.

ARTICLE 66. In addition to the provisions of Article 31, the factory may terminate the contract of apprenticeship under any one of the following conditions:—

1) When the apprentice revolts against proper instructions;
2) When the apprentice commits theft and fails to repent, in spite of repeated admonitions.

ARTICLE 67. In addition to the provisions of Article 33, the apprentice or his legal representative may terminate the contract of apprenticeship under any one of the following conditions:—

1) When the factory is incapable of performing its obligations stipulated in the contract;
2) When a factory becomes dangerous to the life und health of the apprentice or harmful to his character.

Chapter XII
Penalties

ARTICLE 68. Factories, violating the provisions of Articles 7, 11, 12 and 13, shall be fined a sum of not less than one hundred and not more than five hundred dollars for each offence.

ARTICLE 69. Factories, violating the provisions of Articles 5, 8, 9, 10, 37 and 63, shall be fined a sum of not less than fifty and not more than three hundred dollars for each offence.

ARTICLE 70. Factories, violating the provisions of Artile 45, shall be fined a sum of not less than fifty and not more than two hundred dollars for each offence.

ARTICLE 71. Factories, violating the provisions of Articles 3, 4, 14, 15, 16, 17, 18, 19 and 36, shall be fined a sum of not more than one hundred dollars for each offence.

ARTICLE 72. When a factory foreman, due to disloyal conduct or negligence, causes thereby an accident or the extension thereof, he shall be punished with imprisonment for a period of not more than one year, or with a fine of not more than five hundred dollars.

ARTICLE 73. Any laborer who obstructs the operation of the factory or destroys the goods or equipment of the factory by violence, shall be liable to criminal punishment of the severest degree.

ARTICLE 74. A laborer who by duress forces another fellow-worker or his fellow-workers to strike, may be summarily dismissed or sent to the Proper Authorities for due punishment.

Chapter XIII.
Addenda

ARTICLE 75. The compilation or alteration of factory regulations shall be submitted to the Proper Authorities for approval and promulgation.

ARTICLE 76. Regulations for the enforcement of this Law shall be issued separately.

ARTICLE 77. The date for the enforcement of this Law shall be fixed by a special order.

Chinese Under French Rule in Indo-China

BY NAM FONG

Reprinted from China Truth, April 26

Public interest in the welfare of our people in Indo-China has once more been awakened by the recent conference between Dr. C. T. Wang, the Foreign Minister, and Count de Martel, the French Minister, dealing among other questions with Chinese consular representation, the frontier trade duties, the poll tax, etc,, and resulting in the drafting of a tentative agreement to replace the previous conventions in respect to Indo-China. As matters stand, this draft is submitted to the French Government for inquiry and study by a special French Commission.

To enable the reader to have a general grasp of the subject under discussion, it may be stated that there are a half million Chinese in Indo-China, of which number about 400,000 reside in Cholon and Saigon, the distance between the two towns being four miles. The rice industry, which constitutes the principal revenue of the country, is largely in the hands of Chinese. while most of the rice mills are operated by them. The Chinese practically control all the small stores both in the towns and villages, and also the markets, as they do all the vegetable gardening. Foreign owned rubber and other plantations employ Chinese laborers because of their reliability and steadiness. For the same reason, Chinese domestic servants are given preference over the natives. As a community, the Chinese pay the most taxes without any representation in the Government Councils. It is thus readily seen that the Chinese are the industrial backbone of Indo-China and they must be regarded as an indispensable economic factor in the development of this rich and fertile colony of France.

Discrimination Against the Chinese

While our people are generally speaking, doing well and are prosperous and in many cases extremely wealthy in Indo-China, it cannot be denied—and this the writer says without fear of contradiction—that they are anything but satisfied and contented to live under Franch rule. One of the principal grievances the Chinese have against the French is unquestionably the discriminatory treatment they receive from the French authorities. It is not within the scope of this article to discuss minutely various aspects of the French discrimination, but it is sufficient to point out only such as occur daily and are of such nature as to evoke constantly the bitter feelings of the Chinese against those in power.

Outrageous Poll Tax

An outstanding cause of discontent with the Chinese is the payment of the annual poll tax which varies according to the place of residence, as follows:

In Saigon, per head	$35.75
In Cholon and other places,	$30.00

The Annamites pay $6.00 poll tax per head annually, but foreigners are exempted therefrom. Every Chinese immigrant upon landing at Saigon has to pay the above poll tax plus $7.55 ior Red Cross and clan fees, wharfage due and coolie hire, besides doctor's fee for vaccination.

Chinese who fail to pay the poll tax are arrested in public places by search officers and promptly marched off to the Immigration Detention Shed to await deportation to China. Every week gangs of men may be seen in the streets on their way to the shed. Perhaps some friends may come to their rescue by paying the poll tax for them before the sailing day, and the poor fellows may then return to their occupations. In other countries, such delinquents are permitted to work off their obligation to the state by doing public or private labor. But the French at no small expense to the Government, prefer to deport them, despite the fact that there is always a shortage of labor and that foreign and French employers continue to pay handsome bonuses to labor agents to bring in fresh Chinese laborers under promise of good wages and good living conditions. It would seem a wiser policy for the French to compel these men to remain and perform work equivalent to the amount of the poll tax, rather than to deport them, which method must diminish the labor supply for the country.

Income Tax Not Uniform

Every one in Indo-China is required to pay an income tax of 8% per annum. On paper, the Chinese are treated however alike, but when it comes to practice, there is a big divergence from the theory. For example, a government officer comes to a Chinese merchant to ascertain his annual income; he is told that it is $10,000, but on general principle he does not accept the statement of a Chinese; but, on the other hand, he cannot read Chinese, and is, therefore, unable to examine the merchant's books. How does he settle the question? Quite simple. He arbitrarily fixes the amount of the income by doubling or trebling it, and his action is final, for there does not seem a way to appeal against this haphazard, if not unjust, decision. But Chinese merchants who understand the psychology of these officers and their little weaknesses, will tell you that more often than not a little greasing of the palm will reduce the amount to the one they originally proposed as their income. But here comes the rub: the following year the same officer will as a matter of habit raise the amount of income of the merchant, who again must repeat the process of palm greasing, and so the farce goes on from year to year.

Chinese Pay Double Business License Fee

For the privilege of trading in the Colony, the French impose a business license fee, which is determined by the officials according to what they consider the value of the business of the firm. It is a matter of general acceptance that foreign business houses pay more for their license fees than the French, doing similar business. This inequity of treatment seems to be received complacently by the foreigners; may be that they realize how futile it is to kick against the inevitable. But it is otherwise with the Chinese, for they have very strong reasons to kick against what they rightly consider as unjust and unfair discrimination against them. All Chinese merchants, doing big or small business, are forced to pay double the amount of business license fee which a foreigner would in the same circumstance have to pay to the Government. Even a firm registered as a French company and managed by a foreigner has to pay twice the amount of its ordinary business license, for the reason that its principal shareholders happen to be Chinese. This glaring instance of discrimination has been the subject of repeated protests to the French authorities, but of no avail.

French Discourage Foreign Imports

Every foreign visitor to Saigon is impressed with the fact that the French do not give a Continental for foreign import trade, but that they appear to do their best to kill it by placing all kinds of restrictions and by putting up a high tariff wall. The duties on foreign articles run anything from 40% to 100% advalorem, and are increased in the case of Chinese goods sometimes to 1,000%. But, on the other hand, French articles on French bottoms enter free of duty with a few exceptions. Against this handicap, some of the foreign goods are sold at prohibitive prices; foreign films are ousted by heavy duties; foreign motor cars are no longer in competition, except Ford cars, which, notwithstanding the 40% duty on them, are valiantly struggling against French cars, which pay 2% duty. But coming to Chinese articles one finds that the duties on them are raised in such manner as to lead to the one conclusion, and that is, the intention of the authorities to bar their importation into the country. Futhermore, there is apparently no fixed tarriff for Chinese articles imported from China. At any rate, if there is one, it is variable according to the whims of the customs officers. Chinese articles are not appraised according to the invoice as it is customary with foreign goods belonging to foreign merchants, but according to what the officers consider to be the value of the goods. Now, the appraisement of these officials is, however, always arbitrary and very often unreasonable. For instance, a Chinese sleeping mat, which is worth 25 cents a piece in Hong Kong, has been known to be appraised as high as 75 cents a piece. Besides, Chinese importers can never be sure whether they are on the right of their books or not, for the reason the duties on goods already ordered or in transit may be increased without notice to the parties concerned.

Chinese Treated as Subject Race

The status of Chinese other than those who have become French citizens, is the same as that of the Annamites, the "indigenes" or natives of a French colony. The Annamites being a subject race of France, the Chinese in Indo-China must come under the same category. That the French have come to regard all Chinese in the colony no better than the Annamites is clearly indicated in their policy of discrimination against our people and also in subjecting them to the jurisdiction of the courts specially reserved for the Annamites. So long as the Chinese have no consular representation in Indo-China, so long will this stigma of a subject race be branded upon them.

Finger Prints An Open Sore With Chinese

If any of our countrymen in Indo-China were asked what he considered as the most humiliating experience of his life he would unhesitatingly point to the submission

(Continued on page 461)

Statistics on Factory Industries in Tientsin, 1928

(Nankai Statistical Service, April 28)

The tables below give the statistics on the factory industries in Tientsin during the year 1928, which are compiled by the Bureau of Social Affairs of the Special Municipality of Tientsin. As shown in the table, there were 2,186 factories in the municipality in 1928, having a total capital investment of 31,226,944 dollars Mex., and employing 47,519 workers, of whom 35,183 were male adults, 2,605 female adults, and 9,730 children. These industries in Tientsin are divided up into nine groups by the Bureau; namely, spinning and weaving, food, household conveniences, implements and tools, machinery, chemical, clothing, printing, and miscellaneous,

Accordiug to the amount of capital invested, spinning and weaving, with 850 factories, is the most important industry. It claimed M. $21,837,363,5, or a little less than 70% of the total capital investment of all industries in the municipality, and employed a total of 34,264 workers. The food industry, with 51 factories, is the second important. It had a total capital investment of M. $5,126,100, representing 16.41% of that for all industries in Tientsin, and employed 2,020 workers. The chemical industry, with 269 factories, is the third important. It claimed M. $3,874,860 or more than 12%, of the total capital investment of all industries in Tientsin, and employed 5,086 workers. The other six groups claimed altogether a total capital of M. $388,125.5 only, representing 1.25% of that for all industries. Speaking strictly, some of the industries in these groups cannot be taken as factory industries, as they are carried on in handcraft workshops in most cases. Since many of the factories, 185, gave no returns on capital, the figures obtained are not inclusive. Again, the factories that did give such returns undoubtedly underestimated them, for fear that these returns might be taken as a basis for taxation purposes.

A final word of warning may be added with regard to the nature of the statistics here quoted. The factory industries in the Special Municipality of Tientsin do not include these in foreign settlements; however few of them may have been. Again, the Bureau, in compiling the statistics, have oftentimes failed to include a large number of factories, even in the territory covered. This is particularly true of the three leading industries in the spinning and weaving group namely, carpet weaving, artificial silk weaving, and hosiery knitting, Finally, the statistics on the number of workers in these industries above quoted do not agree with those released on an earlier date and quoted in a previous number of this Service (Vol. II, No. 26). The present returns, however, are more complete and should therefore be accepted as being final.

Name of Industry	No. factories giving capital returns	No. factories giving no capital returns	Capital Amount (in dollars)	Capital Percent	No. workers Male	Female	Child†	Total
Spinning and Weaving	850	54	21,837,363.5*	69.93	24,676	2,314	7,274	34,264
Cotton Blanket Weaving	2		60,000		121	4	72	197
Dyeing and Weaving	10		36,350		421	40	523	984
Braid Weaving	157	20	15,026		301		375	876
Silk & Cotton Ribbon Weaving	1		10,000		56	2	7	65
Woolen Yarn Weaving	4		3,500		14	62	2	78
Canvas Weaving	7		25,570		175		48	223
Lampwick Making	1		200		4		1	5
Towel Weaving	19	2	11,390		244		83	327
Hosiery Knitting	78		64,662		708	66	521	1,295
Cotton Spinning	6		20,990,000		13,497	1,842	1,459	16,798
Artificial Silk Weaving	238	6	478,560		3,764	231	2,025	6,020
Cotton Handloom Weaving	166	18	72,239		1,729	21	805	2,555
Carpet Weaving	161	8	69,866.5		3,442	46	1,353	4,841
Food	51	4	5,126,100	16.41	1,952	13	55	2,020
Canned food	2		13,000		58	13	22	93
Aerated Water	6		19,700		71			71
Table Oil & Soy	2		28,600		23			23
Intestines	7	3	4,300		124		3	127
Salt Making	1		2,100,300		545			545
Brewing & Distilling	28	1	305,500		454		30	484
Flour Milling	5		2,655,000		677			677
Household Conveniences	282	21	109,000	0.35	489	24	377	890
Thread Spools	1		2,000		19		6	25
Oil (burning)	14		7,900		85			85
Candle Making	3		3,700		23		6	29
Mat Weaving	6		67,300		118	24	127	269
Palm Brush Making	18		1,000		31		23	54
Paste Making	1		200		1			1
Stationery	239	21	26,900		212		215	427
Instruments & Tools	563	7	71,679.5	0.23	2,186		589	2,775
Wood & Bamboo Work	32	4	3,408.5		108		74	182
Coppersmith	9		4,037		103		55	158
Bone & Horn work	6		184		24		18	42
Cement & Chinaware	4		22,000		99		7	106
Gauze Making	1		20,000		80			80
Ironworks	511	3	22,050		1,772		435	2,207
Machinery	62	1	72,680	0.23	887		310	1,197
Chemicals	269	84	3,874,860	12.41	4,122	191	773	5,086
Tanning	15	1	34,030		219		10	229
Glassware	9		16,900		192		106	298
Mirror Making	1		10,000		14	2	40	56
Soap Making	15		143,200		215	5	19	239
Electroplating	14		3,710		45		52	97
Asbestos	1		1,000		12	20	5	37
Bleaching	198	83	79,670		1,016		388	1,404
Battery Making	1		100		3			3
Painted Cloth	1		600		2		1	3
Toilet Articles	6		6,900		36		10	46
Hygienic Cotton	2		15,750		26		4	30
Buttons	1		3,000		27			27
Match Making	4		1,560,000		1,770	164	108	2,040
Soda Making	1		2,000,000		545		30	575
Clothing	65	11	33,186	0.11	369	14	253	636
Furring	30	11	12,420		245	9	103	357
Hat Making	35		20,766		124	5	150	279
Printing	26	3	88,875	0.29	335	20	55	410
Miscellaneous	18		13,200	0.44	167	30	44	241
Total	2,186	185	31,226,944	100.00	35,183	2,606	9,730	47,519

*The total as given in the "Social Monthly" is M$22,017,363.5. But the Committee by actual addition of the items reported in the "Monthly" under "spinning and weaving" obtained the present total of M$21,837,363.5. This disagreement is evidently due to misprint or miscalculation by the Bureau.

†Children under 16 years of age.

Anglo-Japanese Rivalry in India

BY DR. TARAKNATH DAS

Just recently the Indian Legislative Assembly has passed the cotton tariff bill without division, raising, import duty on cotton goods to 15% from 11% *with an additional 5% duty on non-British goods for three years.* This simple news item is of greater significance than it may appear at the outset. It means that the British Government has succeeded in introducing an economic policy which will have a very far-reaching effect in non-British nations' trade with India. It means that under the pretext of giving protection to the Indian cotton industry, the British Government has introduced the policy of "Imperial Preference" in India.

Prosperity of Lancashire cotton industry, in the past, depended largely upon British supremacy in Indian market. With the rise of cotton industry and also foreign competition in Indian piece-goods market, Lancashire cotton industry has steadily lost ground in Indian market. This fact has a tremendous bearing upon unemployment situation in Great Britain. Since the World War, Great Britain's share of Indian trade has diminished, whereas other nations especially Japan and the United States have gained stronger foot-hold in Indian markets. In 1913 Great Britain's percentage of import trade of India was no less than 64%, but in 1928-1929 it fell to 43%. At the present time Japanese share of India's import trade has risen to 10% and that of the United States about 6%.

Japanese commercial expansion in the orient has been somewhat phenomenal. Japan has already surpassed Britain in China trade and she has made tremendous headway in India. This trade expansion of Japan has a special bearing upon the development of cotton industry in the island empire. In 1905 Japan consumed 846,500 bales of cotton and produced 905,500 bales of yarn and 115,000,000 square yards of cloth. In 1929 the total consumption of raw cotton in Japan was 2,635,700 bales and the production was 2,792500 bales of yarn and 1,538,000,000 square yards of cloth. The above figures give an idea of the development of cotton industry of Japan within the last twenty-five years. According to a statement from the U. S. Department of Commerce it is evident that Japanese export of cotton goods has increased enormously. "In the calender year 1929 Japan exported 1,790,000,000 square yards of cotton cloth and 1,419,000,000 in 1928."

Comment from Wall Street

The *Wall Street Journal* of April 2, 1930, commenting on Japanese cotton trade says:—

"These shipments (of cotton goods from Japan) are not made to out-of-the-way places, but to some of the most important consuming markets of the world. These markets include China, British India, Dutch East Indies, Egypt and the Near East.....These markets have been of tremendous importance to one of England's chief industries, but her dominance of them is now threatened...."

When one studies carefully the statement of Sir George Shuster, the Finance Minister of the Government of India, in connection with the increased tariff goods made before the Indian Legislative Assembly, as reported in *Liberty* (Calcutta) of March 1st, it becomes clear that the extra 5% duty on non-British cotton goods has been imposed to save the British cotton industry from non-British competition (especially Japanese) in Indian markets. Sir George Shuster pointed out that to protect the cotton industry in Bombay it was necessary to raise the present 11% tariff to 15%; but he also declared that the British Cabinet (the Labor Government of J. Ramsay MacDonald) approached the Government of India for the protection of British commercial interests in India. He suggested that an imposition of extra 5% duty on non-British cotton goods will not in any way hurt Indian industry, *but will help the British Government in their own present grave industrial trouble.* Thus it is abundantly clear that this new duty was imposed to aid British industry and to check "Japanese invasion of Indian cotton market" with cheap goods.

Japanese industrialists, the Indo-Japanese Association and important Japanese statesmen, such as Marquis Shibushawa and others have protested against the new tariff proposal on the ground that it was specially discriminatory against Japan. In their protests they have expressed their doubts if the discriminatory policy against Japan in favor of Britian reflects the wishes of the Indian people. The attitude of Japanese businessmen has been summed up in a *Reuter* despatch from Osaka, dated March 3, 1930. It reads:

"Cotton associations in a joint statement to the press on the proposed increased cotton duties declare that *they do not object to revenue tariff. But the proposed increase provides for exemption of British goods which constitutes the largest amount of imports. This establishes effective anti-Japanese barrier, because while the new tariff on British goods is only fifteen per cent, the Japanese goods are taxed twenty per cent: or specific duty which calculated on 'ad valorem' amounts exceeds twenty and in some cases is as much as thirty-eight per cent. The new tariff is, therefore, regarded as highly discriminatory, It makes fair competition out of question. Very grave concern is expressed lest the new tariff should kill growing Indian and Japanese importation and exportation trades".*

While the new tariff on cotton goods imposed by the British Government in India will aid British industry, shipping and labor, it will at the same time hurt Japanese industry, shipping and labor. *It will indirectly hurt American cotton trade, because Japan is one of the largest consumers of American cotton.* The new discriminatory tariff policy of Great Britian in India will surely help augmenting Japanese suspicion of British policy towards the Mikado's empire. The Japanese have not forgotten that the British Government gave up the Anglo-Japanese Alliance after the World War and during the Washington Conference. This action of the British Government was interpreted by all Japanese as the expression of British selfishness, because Britain used Japan against Germany during the World War; and just as soon as Germany was eliminated as a rival, Britain tried to isolate Japan in World Politics. The Japanese also regard the British programme of constructing the formidable naval base at Singapore as an anti-Japanese measure. The Japanese are conscious that many responsible Britishers carry on anti-Japanese propaganda in China and other countries.

—*Liberty* (Calcutta) March 5, 1930.

Japan vis-a-vis Nationalists

The Japanese Government, at no time, has shown any sympathy towards the Indian nationalist movement; *but in Japan many responsible statesmen and businessmen are not unmindful of the great significance of the movement for Indian Independence.* The late Marquis Okuma, thrice Prime Minister of Japan, in one of his speeches urged the Japanese people to act sympathetically towards Indian aspirations. This was bitterly resented by the British officials. On January 26, 1930, when the Indian residents in Japan celebrated the occasion of Indian National Congress's Declaration on "Indian Independence as the goal of Indian Nationalist Movement", many responsible Japanese joined the Indians in their solemn ceremony in the great Buddhist Temple at Kamakura. Economic discrimination against Japan in India, at the behest of the British Government and to aid Lancashire cotton industry from Japanese competition, will rouse Japanese resentment against British policy and deepen Japanese sympathy towards Indian Independence.

The new cotton duty in India has a world significance It means the application of the principle of "Imperial Preference" in India and discrimination against those nations —such as Germany, Japan and the United States — which may be interested in fair competition "or open door" in Indian markets. Already the British Government has applied a conditional form of Imperial Preference in favor of British steel goods imported into India; and now this principle will be applied on cotton gooods. *The Indian nationalists are opposed to Imperial Preference in any form; because they do not wish to support any policy which will extend special privilege for British industries and apply discrimination against friendly Powers.* This is evident from the following *Associated Press* dispatch from New Delhi, dated April 3, 1930:—

"Nine Nationalists are resigning their seats in the Indian Legislative Assembly, following the passage of the imperial preference provision in the tariff bill, which carries 5% per cent preference on certain lines of Lancashire cotton goods."

New York City, May 1, 1930.

U. S. Court in Session at Tientsin

A sitting of the U. S. Court for China is scheduled to be held in Tientsin starting May 17. Fourteen cases are on the calendar, including the Bank of China v. R. T. McDonnell, assignee of American Overseas Warehouse Co.; China-Mongolia Export Co., (bankrupt) v. T. E. Simmang; and James Langman v. Overseas Fur Export Co. Inc.

Japanese Encroachment on China's Silk Industry

BY PAUL K. WHANG

With the approach of the cocoon season, which generally begins by the middle of May, there are as yet no healthy signs to cheer up our down-hearted silkmen, who have just experienced one of the worst years in the annals of China's silk industry. The renewal of civil strife, though outwardly Central China is still kept intact and far from being menaced by any immediate invasion. will very much handicap the general growth of any domestic industry. The ubiquitous presence of bandits in the countrysides will not only annoy the farmers in their pursuit of rearing silkworms, but will render the business of buying cocoons exceedingly unsafe. The depression of silk business has steadily pushed down the price of raw silk to the lowest level, and the price now registered at the local market is actually more than Tls. 100 per picul less than that one month before. The prolonged inclement weather during the past weeks might work some injurious effects upon the silkworm industry and early reports from many cocoon-producing districts give us no indication that the coming crops will turn out to be satisfactory. Thus the fear of war and banditry, coupled with the worry over the silk market and cocoon crops, have all contributed to dismay our silkmen and left them in a dilemma, in which they hesitate to decide which course they should take, either to bear the risk or to quit the business altogether.

Price of Raw Silk Downward

This is really the situation which our silkmen are now in. But what worries our silkmen most is the present business slump. In spite of the favorable rate of exchange, the price of raw silk in terms of Chinese money has been going downward. In the ordinary seasons, by this time of the year, thousands of piculs of "raw" silk would be sold by the different filatures to the exporters for future delivery. (In order to differentiate the silk reeled from the cocoons of the past season, the silk manufactured from the cocoons of the coming season is generally termed as "new" silk.) But this year, owing to the business slump, the demand from abroad of "new" silk has been very small, and the price offered has been exceedingly low. On the other hand, silkmen, in anticipating what the farmers will ask for their cocoons, have hesitated to sell their "new" silk at a price, which, in accordance with their estimation, would not bring them enough to cover the cost of production. Therefore a very few deals of "new" silk have been transacted, and the quantity, taking all in all, is very negligible. Thus our silkmen will be brought to face a situation, in which when they start operation after the cocoon season, will have no "size" to manufacture their silk, and will meet difficulty to finance their operation. (As customary, silk is sold several months ahead of the time, and the exporters will inform the silkmen what size they want for their silk one month previous to the delivery. Through this arrangement, the silkmen do not have to tie up their capital in the unsold stocks, and can finance their operation with a little working capital.) It is reported that in some cocoon-producing districts, many cocoon-buying stations, which would be all rented out by this time of the year, have been left vacant, and that many filatures in Shanghai and elsewhere will change hands by the opening of the next season. These facts will give us some idea as to the grave situation of our silk industry.

"Another Japanese Mean Trick"

Taking advantage of the distress of Chinese silkmen, the Japanese silkmen, as reported, have contemplated to conduct an extensive buying of Chinese cocoons during the coming cocoon season. That the Japanese silkmen have always kept a jealous eye upon the growth of China's silk industry is known to every far-sighted Chinese silkman. Last year when the cocoon harvest was very poor and there was an alarm among the Chinese silkmen over the short supply of cocoons, the Japanese silkmen sent their agents over to China to bid high prices for the Chinese cocoons with the intention to buy off Chinese cocoons. In spite of the warning given out by the silkmen's guild advising the cocoon merchants not to sell their wares to the Japanese, many shipments of dried cocoons were actually exported to Japan and the already tense situation was made still tenser through the Japanese exportation. Again, some months ago "faked" disease-free egg sheets were found in the possession of the farmers at Wusih, and upon investigation, it was borne out that they were manufactured and sold by a certain Japanese concern. This distribution of "faked" disease-free egg sheets among the farmers should be interpreted as another Japanese mean trick which the Japanese people are apt to play upon things Chinese.

It is beyond doubt that for the past decade, the Japanese silkmen have left no stone unturned to build up some interest in China's silk industry. They first confined their activities in Tsingtao, where they built one modern silk filature. But recently they have made inroads into Central China, and picked up Soochow and Hangchow (in both cities they have concessions) as the base of their activities. In Soochow, besides two cocoon-buying stations equipped with ovens of modern type for drying the cocoons, a silk filature of Japanese model was built, and in Hangchow they have maintained several cocoon-buying stations. Besides their activities in the concessions of the above-named cities, they have also sent their Chinese "Tai-pans" during the cocoon seasons to other cocoon-producing centers to buy cocoons for them under the disguise of Chinese firms. That these Japanese cocoon-buying stations have always proved a nuisance to the Chinese silkmen is a matter of certainty. As a rule, the Japanese cocoon-buying stations have always bid up a high price as a bait to the farmers. In order to compete with the Japanese stations, the Chinese stations, have to follow suit, irrespective of the prevailing price of the silk market. This competitive buying might give additional profit to the farmers, but will bring many Chinese silkmen to ruin. In a word, their purpose of establishing filatures and cocoon-buying stations in China is not to make profit, but to serve their long-cherished ends, that is to lay a stumbling block to the progress of China's industry.

Slump in Silver Incentive to Japanese

In view of the Japanese sinister motive, we should not belittle the importance of the report that the Japanese silkmen will conduct an extensive buying of Chinese cocoons during the coming cocoon season. The characteristics of China silk are its fine luster, good elasticity and fine size, in which the Japanese silk is generally wanting. These peculiarities of China silk are enough to induce the Japanese to come over to China to get a supply of Chinese cocoons. The slump in silver will serve as another incentive to the Japanese silkmen as they can buy cocoons cheaper here in China. Therefore either through evil designs, or actuated by economical motives, the Japanese silkmen will call on China for the supply of cocoons. But China, on account of her present limited production of cocoons, is far from being in a position to take care of some of the Japanese needs, and any exportation of Chinese cocoons will invariably cause a shortage of raw material for the Chinese filatures. In order to safeguard their own interests all the Chinese silkmen should have a watchful eye over the Japanese activities, whether the reports pertaining to their activities are wellfounded or not. They should ask the Government to put a ban against the exportation of Chinese cocoons, and in the meantime should cooperate with the Government to fight for the rendition of the concessions, so that the Japanese silkmen can no longer conduct their activities, which are calculated to do injury to China's silk industry.

Shanghai, May 12, 1930.

China's First Photogravure Supplement

The *Shun Pao*, China's premier vernacular daily newspaper, is going to issue the first pictorial supplement by the photogravure process on May 18, and thereafter each Sunday. This pictorial supplement will not be sold separately, but sent out free together with the ordinary Sunday edition. According to the publishers this increased feature is a part of the plan of the paper to promote cultural matters throughout the country. The pictorial editor, Ko Kung-chen, is a veteran in the game and a recognized journalist who recently made a world tour.

The advertising will be looked after by Y. Lewis Mason, managing director of The Consolidated National Advertising Company, 24 Hankow Road. This firm will undertake the preparation of copy, drawing and layout for the advertisers free of charge and will accept orders and arrange insertions for the *Shun Pao*. This arrangement is made with the view that all advertisements appearing in this supplement will be in harmony with its general make-up and that the advertisers may get the fullest benefit of experts' assistance and of results from such pictorial advertising.

It is understood that an attractive folder printed by photogravure process entitled "The *Shun Pao* Pictorial Supplement pays greater dividend to advertisers" will be distributed among interested parties. One can get it by simply writing to the Consolidated National Advertising Company, 21 Hankow Road, Shanghai.

The Fall in the Price of Silver and the Remedy

BY HARRINGTON EMERSON*

THERE are four clouds darkening the world's industrial and commercial sky in this first part of 1930: first, unemployment and its increase; second, the fluctuating prices for essential commodities; third, the fluctuating value of gold when exchanged for commodities; fourth, the fall in the value of silver.

I consider it the first duty of governments to control disease. As long as an epidemic as that of influenza in 1918 causes more world deaths than all the casualties of war in any single year, this control is of the first importance.

To prevent future wars is perhaps the second great obligation although the miseries due to bad economic conditions may be more unendurable than those of war, which even at its worst is not universal, as economic distress may be. The prevention of war is receiving attention.

The four economic and industrial clouds could be quickly, easily and permanently dispersed. Next to the increase of hygiene and the prevention of war comes the obligation to give every willing and competent worker all the employment he or she wants. There are only three kinds of employment: Production of what is currently used; protection of life and property; creation of desirable additions. The remedy for unemployment is so to alternate and apportion the three so as to have all workers employed.

If 2,000,000 soldiers are disbanded, let them go into production; when production overtakes consumption divert every one unwillingly idle into creation of reserves for the future and into creation of permanent betterments. Essential current production is soon attained.

There is at present insufficiency of stores, or reserves. There ought to be at least an average year's needs of the key basic commodities accumulated. Improvements are desirable without limit. If all essentials should be furnished by nature, as is the case for plants, there would still be human obligation to improve conditions. Unemployment could be easily, quickly, permanently remedied.

U. S. Reaction to Financial Crisis

It is satisfactory to observe that immediately after the recent great financial crash in the United States, the great industrialist, Henry Ford, without waiting for conferences or for Congress or for elaborate plans, increased the wages of his 120,000 employes one gold dollar a day and appropriated $30,000,000 for permanent improvements. The Engineer-President of the United States, Herbert Hoover, also conferred with the Governors of the 48 States, labor leaders, railroad presidents, railroad presidents, financial leaders, farm organization heads, public utility officials, in order to stabilize conditions and to undertake at the present time great works of permanent improvement. The only way to prevent involuntary idleness is always to be able to alternate between current production, current protection and permanent creation, and that is the remedy the United States is evolving. Not doles to those not working, but work in plenty for those who want it.

The second industrial and commercial cloud is the violent and unforeseeable fluctuations in prices of commodities. These fluctuations could be quickly, permanently and adequately controlled. The causes of these fluctuations are two: (1) The great fluctuations in supply and demand. (A slight lessening of demand, down goes the price, a slight increase in demand, up goes the price). (2) The great fluctuations in the value of gold as compared to all other commodities.

World Always on Starvation Verge

It is criminal that the world is always on the chronic verge of starvation. There ought to be accumulated an average year's supply of essential commodities, especially foods. The accumulation slowly attained would stabilize prices as well as being an insurance measure against disaster. The accumulations in storage, like the cash reserves of banks, should be sufficient to prevent their exhaustion in any foreseeable crisis. These accumulations need cost a country nothing. They are paid for by certificates issued at the purchasing price, redeemable in the respective commodity at the delivery price, with sufficient margin to pay the storage expenses, a difference stabilizing the price between the two limits. Nothing need prevent the slow lowering of average price as perhaps of copper or rubber, nor the slow rise in price as perhaps of lumber and fuels, falls and rises largely offsetting each other. By the storage plan the prices of basic or essential commodities could be easily, permanently and adequately stabilized.

The third cloud darkening 1930 is the instability in the value of gold when exchanged for commodities. All other essential commodities and activities belong in groups of alternates. Commodities and activities are alternates when each will serve the purpose, for the great classes of food, of clothing, of construction, of transportation, of money. The law governing alternates is that however greatly they may vary in relative quantity produced they cannot fluctuate in price, because as long as both are available, if one rises in price the demand instantly shifts to the other or others. There may be a hundred fold variation in volume of production without variation in price. If a commodity has no alternate, as a rare postage stamp, the price for a penny stamp may be £1,000. The price for a picture sold by the painter when living for $20 may sell after his death for $400,000.

The fluctuations in the price of basic commodities can be minimized by three methods:

Establish reservoirs to take care of surpluses—and to prevent, increase the exhaustions number of "alternates;"

Improve transportation and communication facilities;

It should be one of the functions of the Government, not only to impound flow waters and release them to prevent low stages, but also to establish reserves of essential commodities. It is not necessary to have reserves of all. Sufficient reserves of one will stabilize the value of all the alternates.

Instability of Gold and Silver Supply

The fourth cloud that for many decades—since 1873—has depressed and dislocated both industrial development and commerce is the instability of the supplies of both gold and of silver and the variation in the value of each quoted in the other. From the beginnings of civilization, it was found desirable to use as money some commodity whose supply was not consumed from year to year, whose annual production was stable and small compared to the total reserves, that did not deteriorate with time, that was easily standardized as to quality, that was easily transported or safeguarded.

Silver and gold fulfilled these conditions better than any other commodities. At first silver was used almost exclusively, but after the discovery of America the use of gold increased.

Down to the time England established for herself the single gold standard, everywhere, both silver and gold, could be freely converted into legal tender. Silver and gold were alternate commodities. The law of alternate commodities is one of the basic economic laws. It is more basic and of wider application than has been realized.

Alternate commodities or facilities are those that can be substituted for each other.

The Value of Reserves

Between alternate commodities or facilities there is only a narrow margin of fluctuation in price, however much the supplies may vary or the demands vary. The value of any single commodity or facility can be stabilized provided there is a reservoir or reserve of supply greater than any temporary demands. Cities must have water supplies and gas supplies. But both supply and demand vary. Therefore reservoirs are established. Water, most irregularly, falls from the sky and is collected in a reservoir so large that even the fluctuating use as between summer and winter cannot deplete it before the next rainy season occurs. City gas for lighting is continuously manufactured 24 hours a day, is stored in a gas holder but it is consumed in five or six hours. If there are adequate reservoirs the price of even one commodity or facility can be stabilized. Transportation is a facility. In the New York sub-ways there must be sufficient reserves of coaches, of personnel, of power, to take care of its peak loads that may at certain hours be five times the average.

Fluctuations are minimized by the use of alternate commodities. If two commodities are perfect alternates, as long as there are reserves of both, price remains the same, irrespective of supply. Hens 'eggs and ducks' eggs are perfect alternates. More than a hundred times as many hens 'eggs are produced as ducks' eggs. Prices of

(This article was written by Harrington Emerson, who was a recent visitor to the Orient, and handed to M. A. Cohen of Shanghai for use as the latter saw fit. He has kindly handed it to the "Weekly Review" for publication. Mr. Emerson has for many years been known as one of the most noted efficiency experts in the United States.

both are stabilized by warehousing in cold storage, prices of both are tied together because any variation in price instantly increases the demand for the cheaper, lessens the demand for the dearer. Transportation and warehousing (establishment of reserves) stabilize prices and tie together alternates, irrespective of quantities.

The Basic Commodities

There is another economic fact of importance. Some commodities or facilities are essential, basic, KEY. They are not many. If the prices of these are stabllized by transportation, by reservoirs, by alternates, the whole list is also largely stabilized.

The basic commodities are: FOODS— Principal grains, principal meats, principal fish, principal vegetables, principal fruits, sugar. CLOTHING—Principal textiles, cotton, flax, silk, wool; skins of sheep, goat or cattle. MATERIALS FOR CONSTRUCTION — Principal metals: iron, copper, aluminum, zinc, tin; principal woods, hard and soft; stones, brick, cement; rubber. CALORIES OR FOOT POUNDS—Coal, bituminous lignite, anthracite; oil; wood; water powers, wind power, tides. MONEY METALS—Silver and gold.

Silver and gold were alternates for four thousand years. The strongest nation by its reserves absolutely stabilized the price ratio. Rome was potent to stabilize until her power waned. The Venetians and Genoese fixed the ratio in the centuries of the Crusades. The Portuguese fixed the ratio for several centuries. Spain fixed the ratio from 1493 to 1803. France fixed the ratio from 1803 to 1873. In 1873 the European nations and the United States outlawed silver as gold's alternate, leaving half the world, Asia, all the Americas south of the United States on a silver basis.

As long as silver and gold were alternates, and as long as any single country had reserves the ratio changed so gradually as not to count. The fluctuations in the price of silver bullion in London between 1820 and 1873 were not fluctuations in the relative value of silver francs and gold francs, as this never changed in Paris by a hair breadth, but were due to fluctuation in exchange, to delays in coining, to rates of discount charged by banks when buying bullion certificates.

Silver and Gold Alternates

Between 1493 and 1928 the relative supply of new silver and new gold varied by decades from 50 to 1 to 5 to 1, averaged from the period from 1493 to 1847 30 to 1. The value ratio was steady at about 15 to 1 because silver and gold were made alternates. From 1847 to 1927 the production ratio has been about half of what it was for the preceding 450 years, has been about 15 to 1, but the value ratio expressed in gold per fine ounce of silver has varied from 1 to 14 to 1 to 45. The volume produced in 1927 was in the ratio of 1 of gold to 13 of silver. The market value for that year was about $20 an ounce for gold $0.57 an ounce for silver, a value ratio of gold to silver of 35 to 1.

The questions that arise are: Is it desirable to stabilize the ratio so as to bring into fixed relation exchanges between gold-standard and silver-using countries? The answer is "Yes." How can this be accomplished? By making silver once more an alternate to gold. Does this mean free coinage for silver or abolition of the single gold standard? It does not. Gold can be even still more strongly entrenched as the only legal tender money unless there is contract to the contrary. At what ratio stabilization be established? The lower the ratio, the better. A low ratio would add very greatly to the wealth of the world, would benefit all and harm none.

What Should the Ratio Be?

A low ratio, a high price for silver, would stimulate commerce and industry all over the world, would provide employment, would have the same effect on industry, commerce, transportation as had in the decade 1850 to 1860, the gold discoveries of California and of Australia. Industry in England increased 80 per cent in that decade. England needs another stimulus *now*.

How low should the ratio be? Ten to one. A value of $2.00 per ounce for silver, could be easily attained and maintained. Many would be benefited and none would be harmed. Would this ratio have to be established by international agreement? This is not necessary although the solution would be facilitated if England and the United States were in agreement.

How could an entirely arbitrary ratio be fixed and maintained? By accumulating a reserve sufficient to prevent any cornering of either gold or silver. Could silver be freely exchanged for gold? No. There would be no redemption of silver coins with gold coins. What country could accumulate the required money reserve? The United States. Why should the United States do this? Because North America produces 75 percent of the silver of the world and an increased price for silver would immensely stimulate industry, commerce and transportation in Mexico, in Canada, in the United States. Mexico could pay her international debts.

The prices of farm produce would rise in the United States and Canada. Employment would increase in the United States, in Canada and in Mexico. Trade would be stimulated between the United States and Canada and the Orient, India, China, Japan.

What would the United States have to do? It would fix a low price, the current market price, at which it would start to accept for deposit silver bullion. It would give in exchange certificates in dollar denomination. These dollar denomination certificates would be receivable for all government dues, except customs, are redeemable in silver at the posted price on day of redemption, these certificates being an alternate commodity with gold coins for the payment of dues to the government.

U. S. Currency Plan

The United States has in operation a currency plan to furnish the people with money. The aims desired and attained with awkwardness are: (1) To have so large a reserve in gold as to prevent all possibility of its being depleted. (2) To use its gold reserves not only to redeem gold certificates but by roundabout ways to make it possible to convert some of the other circulating moneys into gold. (3) To use other commodities, through the medium of the Reserve Banks, as a redemption security for notes of various kinds. (4) To give gold more general privileges of free coinage, legal tender and tax acceptability than to any other form of circulating money. (5) Silver dollars are full legal tender unless the contract reads otherwise.

Silver dollars are receivable for all Government dues. Silver does not have the free coinage privilege. Silver certificates are not legal tender but gold certificates are. (6) Silver certificates, subsidiary silver coins, minor coins, Treasury Notes of 1890, National Bank Notes, Federal Reserve Bank Notes, may all be paid in lawful money, silver dollars being also lawful money.

American curriencies other than gold: Silver dollars not redeemable in gold	540,000,000
Subsidiary silver coins, circulating at par, receivable for taxes up to $10	299,000,000
United States Notes not covered with gold reserve	200,000,000
United States Treasury Notes, redeemed at Government option in silver	????

National Bank Notes (not legal tender, not receivable for customs but receivable for other dues. Secured by Government Bonds, not by coin, not by commodities, but by faith of the Government) 699,600,000

Federal Reserve Bank Notes, not legal tender, secured by bank paper, in turn secured by what the bank considers good, personnel or commodity, eggs in storage or cattle on the range, not receivable for customs, receivable for all other dues. Federal Reserve Notes. Same as above, not legal tender, receivable for all dues. $ 2,002,800,000
Miscellaneous, including Treasury notes 121,000,000

G. $ 3,322,400,000
Gold coin and gold bullion G. $ 4,109,000,000

Government in Strong Position

There is $3,322,400,000 of money circulating without gold backing, always and without question at par, because receivable for all taxes, except customs. This tax paying privilege is the only privilege not *all* these secondary currency have.

United States Revenues amount to $4,000,000,000 annually. The United States could redeem, retire from circulation, every outstanding money except gold, from a single year's revenues and substitute any other currency based on essential commodities or based purely on the faith of the Government. It would circulate at par as long as it had the tax paying privilege. Therefore, a circulation with the limited tax paying privilege, alternate with gold, and in addition redeemable in silver bullion at the market price would be a sounder better secured currency than the United States now maintains, and the exclusive privileges according to gold could be augmented. Americans, however, should not forget that

	North America	Per Cent	British Excluding Canada	Per Cent
1927 production of gold	$ 97,000,000	47.5	$244,000,000	97.2
1927 production of Silver	107,000,000	52.5	7,000,000	2.8
Percentage of total	204,000,000	45.	251,000,000	55.

U. S. Interest in Silver

The interest of the United States in the value of silver is far greater than that of England because the United States and its nearest neighbors produce annually 18 times as much silver as does England and the Dominions excepting Canada. The stores of silver in India may be greater than those in America.

Total Supplies of New Gold and New Silver 1927:

	Gold	Per Cent	Silver	Per Cent
North America ..	$ 97,000,000	24.	$107,000,000	74.6
British other than Canada	244,000,000	61.	7,000,000	4.9
	341,000,000	85.	114,000,000	79.5
Other countries ..	60,000,000	15.	29,300,000	20.5
Total	$401,000,000	100.	$143,300,000	100.

From Great Britain and North America comes 85 per cent of the gold production, and they operate a larger percentage. Great Britain and North America combined hold 79.5 percent of the silver mines and own probably 85 percent. How easy for both so combined to control both gold and silver production and ratios! How easy for Great Britain to prevent a corner on gold! How easy for North America to prevent a corner on silver!

The United States alone, by reason of its large gold reserves, by reason of its adequate supply of new gold, can alone fix the price of silver at any price it chooses, establish what price it chooses in the years to come, attain and maintain any price it chooses.

Some Requirements

There are a few common sense requirements; (1) There should be a settled currency policy, one looking generally ahead for a decade and specifically looking ahead for three to six months. (2) Gold, of present weight and fineness, and gold certificates legal tender. No other moneys with this privilege. (3) Silver certificates in dollar denominations, not legal tender, but receivable for all public dues, except customs. At present they are receivable for all dues, including customs. Silver certificates, redeemable not in silver dollars as at present, but in silver bullion at the price posted, three (six) months previously. (5) Contracts can be made payable in silver certificates or in anything else as at present, (6) Unlimited deposit of silver bullion with the U. S. Treasury, for which silver certificates in dollar denominations will be exchanged at the previously posted price for the day. (7) Reserves of silver to be slowly accumulated not to exceed the amount of money in circulation not based on gold or on gold certificates. There is now a stock of money about twice the total gold reserves. Under the plan proposed there would still be the same volume of gold reserves, an equal amount of silver reserves and any other security that the Government desires to tender as it now does for U. S. notes, for National Bank notes, for Federal Reserve Bank notes and Federal Reserve notes. The silver bullion would not be less security but additional security. (8) The posted price for silver bullion to be quoted three (six) months in advance, and to be moved upwards, never downwards, at such rate as will ultimately secure the predetermined volume of silver bullion reserve. (9) The rate of advance in price could not be as high as one half per cent a month, because such a rate would send into hoarding all the available stocks of silver in the world, would cause every silver certificate to be exchanged for silver dollars, which would be hoarded. The rate in advance of price ought not to be as low as 2 per cent per annum, one sixth of one per cent a month, because it would take more than a hundred years to reach the price of $2.00 an ounce.

This price ought to be reached in 10 years more or less. Rates of advance between one-quarter of one per cent to one-third of one per cent, posted three (six) months in advance, would give complete and continuous control of the whole situation. The policy is permanent, the speed and extent is modified by the rate of advance.

Synthetic Silver and Gold

If owing to discoveries in chemistry it should become possible to convert lead into silver (or gold) or if it should become possible by improvements in mining to tap very deep reservoirs in the earth of molten silver (or gold) the posting three (six) months in advance, would enable the situation to be met. (The theoretical possibility of synthetic gold is greater than for silver). Even if both gold and silver should lose all market value, the United States could either allow the loss to fall on the holders of the gold or silver certificates issued, or it could by its good faith exchange the gold or the silver certificates for other newly created legal tender or tax privileged certificates and lose nothing. Even if there were a very great shrink, even total loss in the value of $4,000,000,000 of gold and$4,000,-000,000 of silver, the United States between 1917 and 1920 did not hesitate to increase its revenues in a single year by $5,570,000,000, so that it would not be ruined if all gold and all silver became valueless. There would be more to worry about in the closing of the gold and the silver mines and the resulting curtailment of employment than in the shrink in values.

If a par for the dollar were set in other commodities or facilities, the United States could easily levy sufficient taxes to give par value to every outstanding gold or silver certificate in basic tax privileges, facilities and commodity prices.

There are only two countries in the world with sufficient financial strength to carry through the rehabilitation of silver. A small country could not do it. It could not accumulate and hold reserves so large as to prevent exhaustion. The United States with current revenues of 18 times the present value of all the silver being mined, with its gold reserves of $4,000,000,000, can more easily do in 1930 what France did between 1803 and 1873, establish the ratio it chooses, attain it and maintain it.

Until the United States alone or in combination with England adopts some such plan—unlimited free deposit of silver at an advancing quotation—there will continue to be dislocation in exchange and destructive variations in gold prices.

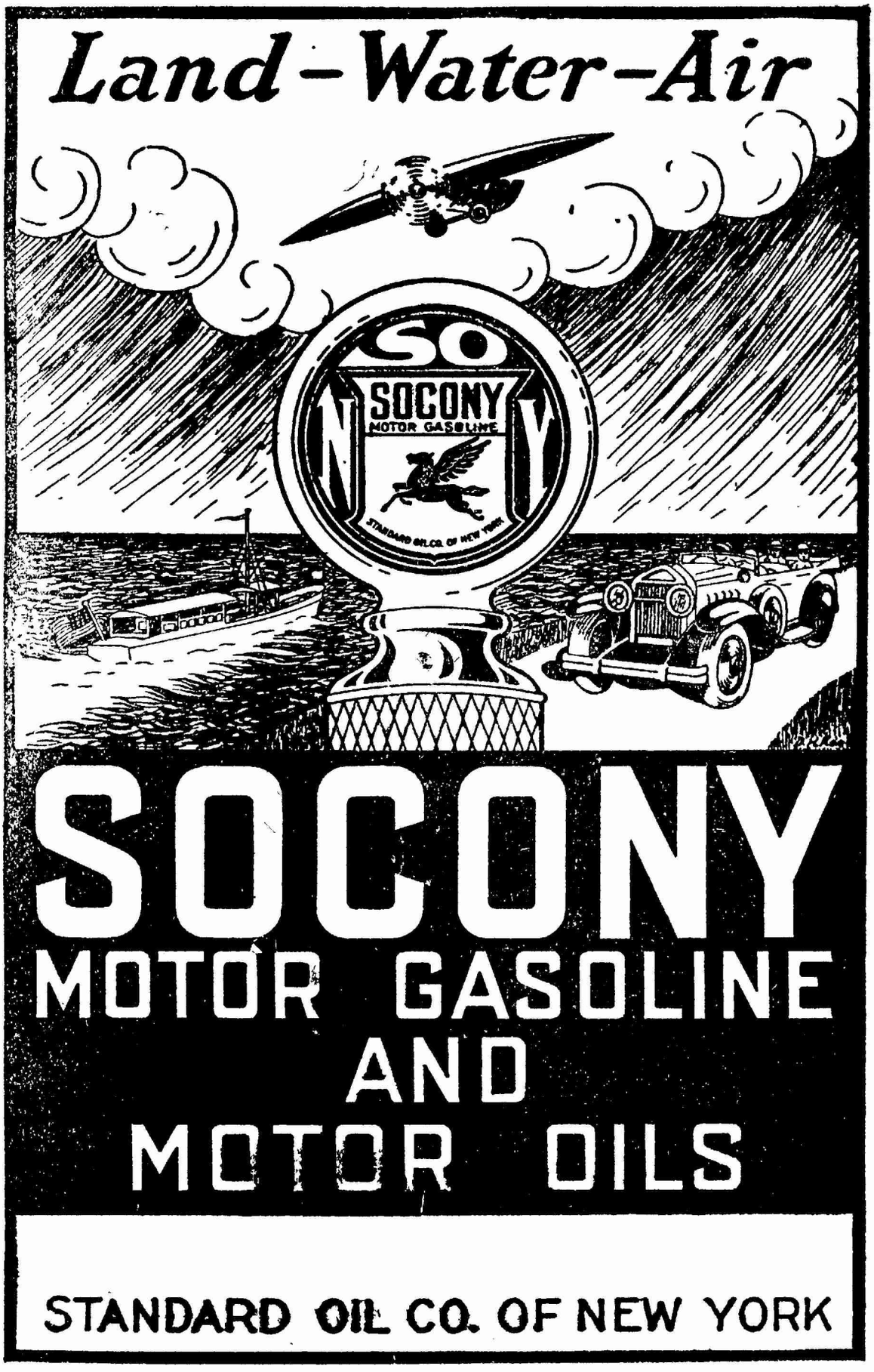
Joint Chinese and Foreign Measures to Attack Cholera Problem

Dr. J. Heng Liu, Minister of Health, presided over a meeting of health specialists at the Municipal Club, Shanghai, May 9, when Drs. C. Noel Davis and J. H. Jordan attended on behalf of the International Settlement, M. Verdier and Drs. C. Arraud and Hsu on behalf of the French Concession, Dr. Hou-ki Hu and Cheng Mu-yi for Greater Shanghai. The Minister of Health was supported by various heads of the Health Department (Drs. P. Z. King, Tsai Hung, etc.). Drs. Wu Lien-teh and Aylward represented the Port Health Service of Shanghai, Dr. S. M. Woo the Ministry of Railways and Dr. F. C. Yen the Red Cross Hospital. The meeting was held to take precautions against cholera.

Dr. Noel Davis, Commissioner of Public Health, announced that the International Settlement would contribute the sum of Tls. 5,000 toward cholera prevention, beside preparing sufficient anti-cholera vaccine for local use. M. Verdier said that the Concession Council had voted Tls. 12,000 for use this year against the cholera menace beside starting anti-cholera vaccination on May 15 for as many persons as could be reached, including Municipal employees, police, foreign residents, school children, etc. Samples of posters in French and Chinese were shown which the French authorities proposed to distribute widely. Dr. Hou-ki Hu (Commissioner of the Chinese City) announced that the Mayor had allocated $10,000 for the campaign aside from the $25,000 which the Ministry of Health had sanctioned.

Radio Corporation Issues Report for 1929

The Radio Corporation of America has issued its report for 1929 in a 16-page brochure. In it full details are given of the taking over of the Victor Talking Machine Co. The R. C. A. Photophone Inc., which was organized for the development of sound motion-picture projection equipment and recording of sound on film, commenced operations in April, 1928, and has entered into exhibitors' contracts with 565 theaters in the United States. Mention is also made of the formation of the R. C. A. Communications Inc., and the opening of various international radio communication services. A deferred press rate to Japan of nine cents per word (half the ordinary press rate) was introduced October 21, thus paving the way for a greater exchange of news between the United States and Japan. The consolidated statement of the Radio Corporation and its subsidiary companies shows a surplus as of December 31, 1929, of $29,690,244.32.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Hulutao—the Rival of Dairen

BY CHANG TAN-TSE 張丹子

Disputes over railways in Manchuria are the most frequent causes of differences between China and Japan or the Soviet Union. There are at present three trunk lines in Manchuria, namely, the Japanese South Manchuria Railway, the Sino-Russian Chinese Eastern Railway and the Pei-Ning Railway, formerly Peking-Mukden Railway of the Chinese Government. Each is in vital conflict with the other two. The South Manchuria Railway is controlled by the South Manchuria Railway Company through an investment of Yen 239,517,926 up to the fiscal year ending March, 1928. This line, with the highly improved natural port of Dairen at the southern terminal, running through the heart of Manchuria and connecting with railways to China proper, Korea, and westwards to Europe, plays an important role in the development of Manchuria.

Next comes the Chinese Eastern Railway, which operates a line of 1,073 miles between Manchouli and Vladivostok. This line fights for import and export trade by special freight rates aimed against that of the South Manchuria line. The development of agriculture, coal and iron-mining, forestry and other industries in the railway zone of north Manchuria makes steady progress. According to the report by this line the profits in 1928 totalled 11,774,884 gold roubles.

Japanese Port of Dairen

The fact that Japan makes the best score in the monopoly in Manchuria is largely due to the port of Dairen.

Dairen is an ice-free and deep-water port, on which, according to the *Report on Progress in Manchuria* recently published by the South Manchuria Railway, the Company has invested an aggregate of 52,987,000 yen in harbor and wharf development up to the year 1928. When this port was in the control of Russia, before her defeat by Japan in 1905, she planned to make it the southern terminal of the Chinese Eastern Railway. Russian investments in the development of the city and harbor have been estimated at over 30,000,000 roubles. Now that the port is under the South Manchuria Railway, it has entered upon a more comprehensive scheme. At present the breakwater of this port aggregates 13,137 feet and the total length of berthing quays is 14,396 feet; a junk wharf having a capacity of 200,000 tons for junk cargo a year is also provided.

In the year 1908, one year after the opening of Dairen by Japan, the total trade of Manchuria increased to Tls. 100,707,000 *i. e.* 12 percent of the total trade of the whole of China and the proportion increased to 17 percent in 1913, 20 percent in 1920, and 21 percent in 1927. This proportion, in all possibility, is expected to be increased yearly due to the steady development by Japan nowadays.

Russia Not Satisfied with Vladivostok

When Russia obtained China's consent in 1896 to extend the Trans-Siberian Railway through Manchuria to Vladivostok, she called the part in China the Chinese Eastern Railway. Thus she was able to shorten the line by 568 miles as compared with the circuitous route to Vladivostok by way of Khabararovsk. However, Russia was not satisfied with Vladivostok as an outlet on the Pacific, for the port, though naturally deep, is icebound more than half the year. She therefore occupied Port Arthur and Dairen by force in the following year, and constructed a branch line running between Harbin and Port Arthur and Dairen. This road, starting south of Changchun, however, went into the hands of Japan as a consequence of her defeat. Vladivostok, is now the only Russian port for the Chinese Eastern Railway. Vladivostock at present has approximately 5,000 feet of stone piers and 6,000 feet of floating docks. Ships with a draft of 36 feet can load in the harbor. It is significant to note that the export trade of the Chinese Eastern Railway is making rapid strides. In 1920 the export haul totalled 896,000 tons against 122,000 tons carried by the S. M. R. line. It keeps on increasing every year. Last year the export freight exceeded the S. M. R. line by 50,000 tons. But the import haul of this line shows up poorly.

Competition of the Chinese Government Railway

As the situation now stands in Manchuria the import and export trade is completely monopolized by the Japanese port of Dairen and the Soviet port of Vladivostok. This has the effect of placing the Pei-Ning Railway of China in the position of being almost a dead line. China's fight for the existence of this line is a matter of hard necessity. The reason why the Pei-Ning line lags behind in the struggle with the rival lines is due to the fact, among other things, that there is no adequate seaport along this line with which to compete against the Japanese port of Dairen or the Soviet port of Vladivostok.

At present Chinwangtao and Newchwang serve as the seaports of the Pei-Ning line. The breakwater of the port of Chinwangtao aggregates only 3,000 feet, with a 375-foot pier for 2-300 foot steamers. Owing to the shallowness of the water, this harbor could not possibly anchor a ship above a draft of 27 feet. Newchwang in like manner is a shallow and also a cold port. It suspends operation during the icebound winter season.

The authorities of the Pei-Ning (Peiping-Liaoning) line, after considerable investigation, suggested to the Ministry of Railways last year to develop the port of Hulutao in order to have a Chinese improved seaport to compete with the Japanese and Soviet monopolies in Manchuria. This suggestion was adopted, and contracts were made between the Pei-Ning Railway and the Netherlands Harbor Works Company of Amsterdam, Holland, to develop a breakwater, wharves, berthing quays and warehouses in the harbor at a cost of G. $6,000,000. The Harbor Company agrees in the contract that the work has to be completed by October 15, 1935, otherwise the Company will pay $1,000 for damages for each day's postponement. The Railway has provided a sum of $1,000,000 as a reserve fund, and the money is supplied in the form of monthly appropriations of G. $95,000 during the construction period.

The Geography of Hulatao

Hulutao is located in the northwestern part of the Gulf of Pechihli, about ten miles from Leinshan Station on the Pei-Ning line. It slants off from northwest to southeast to the sea with a length of about 2 miles. Hulutao, or Calabash Island, is thus named because the island, standing on a sharp-point at the north end, has an extensive area to the south with a narrowed middle, just like a calabash.

Hulutao, geographically speaking, being much favored by nature, is an excellent trade port in north-eastern China. It has a natural depth of from 27 to 40 or 50 feet, so that big ocean-going vessels can anchor well inside the harbor. Technical experts say that the harbor has a capacity for simultaneous anchoraging of 12 vessels 120 meters long and of six 90 meters long. The port is free from ice all the year round, though thin ice is found floating on the water sometimes in the severe cold season. It was emphasized by the late Dr. Sun Yat-sen in his *Industrial Plans for China* that the port "stands on favorable ground in comparison with the port of Dairen, due to the fact that the railway from the port which connects the trunk lines is 200 miles shorter than that from Dairen and also it has an abundance of coal mines in the neighborhood."

Foreigners Want to Invest

History tells us that plans for the development of the port of Hulutao date as far back as 1908 when the Tartar General Chao Erh-sun appointed a British technical advisor, W. R. Hughes, to survey and investigate the seaport along the line between Newchwang and Shanhaikwan with the object of building an extensive naval base and trade port. Hulutao was then chosen. Work was commenced in October, 1910, with foreign capital, but only a railway connecting the port and Lienshan station was completed. Work was soon suspended owing to the outbreak of the revolution in the following year.

In 1916 the Hulutao project was called to the attention of the Government by Chen Ying-nan, director of Tung Shao Railway Company, with a view to export facilities for Tsingchow coal, but no result was achieved.

In 1919 one year after the World War, foreign capitalists proposed to participate in financing the Hulutao development. China, however, refused to continue the system of cooperation with foreign capital in view of the previous examples, and the Ministry of Communications of the Peking Government and the Peking-Mukden Railway Administrations decided to develop the port. A sum of $10,000,000 was to be provided by these two authorities, with Chou Chao-hsiang directing the port development. But, owing to the civil wars, nothing resulted.

The Netherlands Harbor Works Company started work at Hulutao May 25. The breakwater on the southern line will be 4,100 feet long, and the southeastern line 1,000 feet long. Three quays will have a total length of 3,700 feet. The foundation channel is to be dredged to a depth of 35 feet. The constructing pier is to have a total length of 900 feet. The retaining dikes, with the harbor shelter, situated to the north of the constructing pier, are

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to have a total length of 2,360 feet. The one to the west of Pan Lai Hill is to have a length of 2,500 feet, and the retaining dike, limiting the reclamation of the mudflat, is to have a length of 2,100 feet. The entrance channel is to be dredged to a depth of 30 feet, with a width of 650 feet.

Chinese-Owned Railways

It is significant to note the Chinese are building a number of new lines of their own, with Chinese capital and under Chinese management, extending northward through Manchuria, with the aim of competing with the Japanese S. M. R. and the Soviet C. E. R. The systems are as follows:

1st line: Hulutao—Tahushan—Payintala—Kaitung—Fuyu—Harbin—Hailun.

2nd line: Hulutao—Tahushan—Payintala—Taonan—Tsitsihar—Taheiho.

3rd line: Hulutao—Tahushan—Shengyang—Hailung—Kirin—Imienpo—Fangcheng—Sansing—Tungkiang.

The above systems will mostly parallel in a general way both the Japanese South Manchuria Railway and Soviet Chinese Eastern Railway.

It is also learned the Northeastern Communications Committee has decided to build the line between Hulutao, and Peiping via Chaoyang, Chihfeng, and Chengteh through Jehol province, next spring.

It goes without saying that the completion of these lines will have the effect of placing the port of Hulutao in a complete monopoly of the import and export trades throughout the provinces of Kirin, Heilungkiang, Jehol and the vicinity of the Pei-Ning railway.

What is the Japanese Attitude?

In view of the fact that the new port, being a profitable enterprise for China, will tend to detoriorate her interests in Manchuria, Japan is placing all kinds of obstruction in the path. Recently the Japanese have begun the development of the port of Newchwang in order to compete with the Chinese port of Hulutao. Such actions indicate all the more what the port of Hulutao is worth, and possibily encourage the Chinese into more ardent efforts. It is hoped the new port will be completed without any trouble by 1935.

Shanghai, May 8, 1930.

Police Departments to Adopt "Finger-Print" System

The police affairs department of the Ministry of the Interior has recommended to the National Government the early adoption of regulations providing for the introduction throughout the country of the "finger print" system of detecting criminals. It was stated that some municipalities which had adopted the system had found it satisfactory in China, hence the necessity of extending the system throughout the country. The Ministry is now making an investigation of various systems employed in various parts of the world with a view to finding the best system that might be adapted to conditions in China.

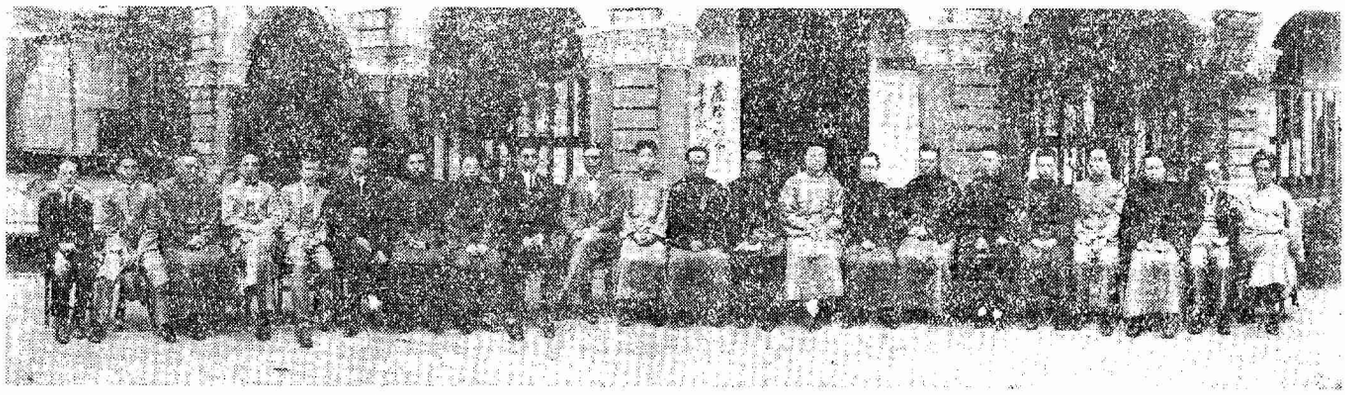
Twenty Cantonese Boys and Girls Would Walk to Turkey

A "Young China Touring Party," composed of twenty Cantonese boys and girls has been organized in Shanghai with the object of traveling overland by foot from Shanghai to Turkey. According to the route that has been chosen by the party they would travel up the Yangtsze to Sikong and then through Sinkiang, Pamirs, Afghanistan to Turkey. On the return trip they would travel by way of India, Burma and French Indo-China to Canton. The leaders of the project claim to have obtained financial backing from some wealthy Cantonese, the object being to prove that Young China can equal the walking tour of Marco Polo.

New Banking Facilities in Western District

The Shanghai Commercial & Savings Bank Ltd., has opened a branch at the corner of Bubbling Well and Yates Roads. It is understood that by special arrangement with the Chinese Telegraph Administration and the Government Radio Administration, the branch office will be able to receive messages for transmission. The China Travel Service has also established a branch there to render service. This will mean a great convenience to the residents of that rapidly developing section.

This branch has also initiated a new phase of banking modelled on the well-known Morris Plan Banking, which has played such an important part in American economic life. Loans for legitimate purposes can be had in amounts of $50 to $500 on the personal guarantee of two co-makers, to be repaid by monthly installments.



**The above group picture of the local Shanghai Kuomintang Committee was taken at the inauguration ceremony of the new Committee held at the Shanghai headquarters on Monday, April 28. Those in the picture are, From left to right: Tsai Hung-tien, Sheng Chu-lu, Wu Po-kuang, Teng Tung-wei, Huang Chau-chu, Chu Yen-tse (director of Land Bureau), Dao Po-chun, Hau Tai-chung, Yang Ching-yuan, Tung Hsien-po, Chen Chun-li, Wang Yen-sung, Tsai Yuen-pei (delegate from the Central), Chen Teh-chen (director of Bureau of Education), Pan Kung-cheng (director of Bureau of Social Affairs), Chang Chun (Mayor of Shanghai Special Municipality), Chiang Huai-shu, Pao Yung, Chen Hsi-tsung, Fan Cheng-po, Tan Li-kung (delegate from the Bar Association), Wu Kai-hsien.—*Photo by C. H. Wong*

China's Twenty-Year Educational Program

BY HERMAN C. E. LIU

(President Shanghai College)

China has adopted an ambitious national educational program for the next twenty years. This program was drafted by educational experts and commissions under the direction of the Ministry of Education. It was studied carefully and officially adopted by the National Educational Conference which was held in Nanking April, 15 to 23.

There were 106 delegates, representing twenty-one provinces and six special municipalities. The membership was composed of Commissioners of Education, representatives from different Ministries of the Nationalist Government, and about twenty-six co-opted educational specialists.

It is especially significant that such a conference should be held at this time. In spite of the disturbances and theatening of civil war, the educators are united and are one. It indicates the real desire of the people and the cultural union of China. All the statesmen and officials of the Government attach great importance to the conference. The delegates were entertained practically every noon and evening by the officials, for an exchange of views regarding educational policies and ideals. President Chiang Kai-shek emphasized the importance of student discipline. He deplored the student strikes and urged the educators to do everything possible to bring up the younger generation under strict discipline. He also emphasized the importance of attacking illiteracy with the aid of the phonetic signs, and the development of agricultural education for the rural districts of China. President Tai Chi-tao emphasized the importance of an education policy based on the Three Principles. He commented on the importance of adopting a sound educational program for the whole of China. President Hu Han-ming emphasized the importance of linking up education closely with the government; that all must work together for the same goal. He pointed out the necessity for educators to have a sacrificial spirit. He also advocated strict discipline for students. Dr. H. H. Kung, Minister of Education, addressed the conference on the importance of practical vocational education, that will link up more closely with life.

Details of the Program

The program drafted by the specialists was first referred to the sectional meetings for careful study, and then came up to the plenary session for adoption. A summary of the program may be stated as follows:

1. Four years of free education for all children of China, to be completed in twenty years. There are 40,000,000 children of school age, and it will require 1,400,000 teachers and 1,000,000 school rooms, and a budget of $280,000,000.

2. Adult education, emphasizing literacy training, citizenship training, and vocational training, for ages sixteen to sixty, to be completed in twenty years. It is estimated that there are about 200,000,000 adults. It is proposed to carry this out with the free education program, so that some of the school buildings and teachers may also be used for adult education. It is suggested that all elementary school teachers be also teachers for the adult classes, but about 112,470 additional class rooms will be required. According to this estimate, $283,400,000 will be required for the budget.

3. Teacher training.

a. There will be rural normal schools with the following three classes of students: Two years training for graduates of junior middle schools; three years training for higher primary school graduates; three years training for elementary school teachers who have the equivalent of junior middle school training.

b. Normal schools and normal department of middle schools may admit graduates from junior middle schools for three years training.

c. Rural higher normal training institute may enroll graduates from senior middle schools, from the educational department of senior middle school, from the normal school, or graduates of the rural normal school, for two years special training.

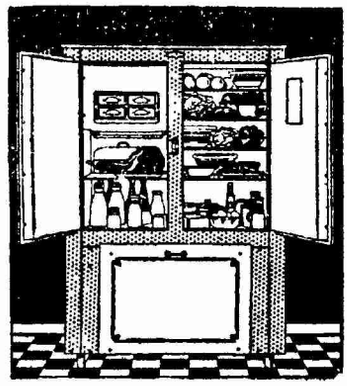
d. Higher normal schools may enroll students from senior middle school.

e. Teachers, colleges and schools of education in universities may enroll graduates of senio middle schools for four years, training to become teachers for middle schools.

f. Graduate schools may admit graduates of colleges for training for college teachers.

4. Elementary education, including kindergarten and nursery schools. Special attention will be given to the interior and the rural districts. All public elementary schools are to be established by the local government with the assistance of the Provincial and Central Government. Every possible means will be used to encourage private elementary education. A minimum standard will be adopted and strictely enforced. Non-Chinese or organizations which are not completely organized by Chinese will not be allowed to establish elementary schools and kindergartens. All teachers and officers of the elementary schools must be entirely Chinese.

5. Secondary education. Secondary education was re-organized to conform strictly to the Nationalist educational aim, emphasizing general education on the one hand and vocational training on the other hand. Special emphasis will be laid upon the importance of improving the existing institutions and re-organization of the curriculum. They also discussed the importance of linking up secondary education with elementary education and with higher education. Senior middle schools are to be established by the Provincial and Municipal Governments. Junior middle schools and vocational schools may be established by the Provincial, Municipal, or District Government. All the secondary schools and vocational courses are to be emphasized during the next five years. Those Provinces having more than three senior middle schools may spend their funds to establish vocational schools. In every city or district there should be at least one junior middle school and vocational school. There are about 1,900 districts, but there are only 90 junior middle



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schools, so there is still need of a thousand junior middle schools. Standards for the middle schools were adopted.

Higher Education

6. Higher education, including colleges, universities and research institutes. The policy is to strengthen the existing institutions, emphasizing quality rather than quantity. A building program was adopted for the government institutions, special funds to be granted for additional buildings and equipment. The universities must have at least three departments. Students may choose their department by the major and minor system. All the government institutions will come up to this standard at once.

The treatment of the college teachers will be improved, and salaries will be increased. No college teacher will be allowed to teach in more than one institution at the same time. The tutor system is to be encouraged. The distribution of the budget will be somewhat as follows: Salaries, from fifty-five to sixty-five per cent, teachers' salaries not less than forty-five per cent, officers and staff salaries, not over ten per cent, equipment, from thirty-five to forty per cent, administration, from five to ten per cent, special fees, not more than five per cent.

All the private institutions of higher learning are required to register. If they do not comply with this rule they will be closed. All those registered private institutions may receive financial assistance. University and extension work are to be encouraged.

The policy for students going abroad is to be very strict. Special attention will be given to students who specialize in science and applied subjects. They will be limited to graduates of colleges, and teachers. Special research institutes and graduate schools are to be encouraged.

7. Social education, emphasizing common knowledge, economic citizenship training, museums, libraries, art galleries, recreation grounds, lecture halls, will be encouraged in all possible ways.

The following will be especially emphasized in the National capital: People's theaters, with a budget of $400,000 initial fund, $10,000 annual fund, for the national theater; national athletic ground, $120,000 initial fund, $30,000 annual fund; people's library, $100,000 for the initial fund, $100,000 for the annual budget; museum, $400,000 for the initial fund, $100,000 for the annual budget; art galleries, $400,000 initial fund, $100,000 for the annual budget. The local government is to support similar local institutions.

8. Education for Chinese abroad. A special bureau is to be organized in the Ministry of Education. All the Consuls abroad are to help supervise education for Chinese abroad. There should be an educational expert in the Consulate. $500,000 annual budget should be appropriated An endowment fund of $100,000,000 should be raised. Detailed standards were adopted.

9. Education for Mongolians and Tibetans, The government will de everything possible to promote education in Mongolia and Tibet. Special educational committees will be organized. The government officials are to supervise it. Private citizens and people's organizations will be encouraged to promote education on the boundaries, Special emphasis will also be laid on the translation of Chinese into the Tibetan and Mongolian languages. Schools are to be started in different districts. Thirteen normal schools are to be established at once in these outlying districts. There shall be a college in the capital, and also one in Kang Ting.

The matter of finance came up for special discussion. It was thought that funds for education should be independent and specially guarded. The following sources were suggested for the finance: Reclaimed land, inheritance tax, butchery tax, temple property, special educational land tax, tobacco and wine tax local educational tax, indemnity funds.

One of the most unique and far reaching actions was the adoption of phonetic script, as an auxiliary language. A rule was made that all officials and educators should learn the signs at once, and teach them to others. All literature for the masses is to be printed in Chinese characters, and also in the phonetic script.

There was some misunderstanding regarding Christian education. There was some discussion about the re-organization of the Y. M. C. A. and Y. W. C. A.; but the good sense of the conference was shown when it was voted down by a majority.

On the whole, it was a very successful conference, and some very important actions were taken. It is now the task of the government and people to work together for this goal, which is the very foundation of the reconstruction of China

Shanghai, May 12, 1930.

In the Field of National Reconstruction

Model Village for Nanking

The National Government on May 13 announced the completion of plans for the construction of a model village for laborers which will be constructed in the vicinity of the Chin-chuan city gate. The proposed village will cover an area of 90 mow (16 acres) and will contain 1,300 separate houses, a public park, village assembly hall and public market.

More Honan Refugees to Manchuria

The officials of the Three Eastern Provinces have made arrangements for transporting 100,000 famine refugees from Honan on vacant land in Manchuria this summer. Special attention will be given to settling vacant land adjacent to the Siberian border. Some 60,000 of the refugees will be settled in Heilungkiang province while the remaining 40,000 will be apportioned to Kirin and Liaoning provinces.

Two-Thirds of Boxer Funds for Railways

The Executive Yuan on May 12 instructed the Ministry of Finance to hand over to the Ministry of Railway, two-thirds of the refunds under the Boxer Indemnity. The money is to be used to defray expenses in connection with railway construction and improvement in accordance with the decision of the Second Plenary Session of the Central Executive Committee of the Kuomintang.

A New Harbor on Chekiang Coast

The Executive Yuan on May 13 authorized the Chekiang provincial government to proceed with the construction of a commercial harbor at San-Meng-Wan on the eastern Chekiang coast south of Ningpo. The Chekiang government will issue a loan of $500,000 to cover the expense of construction of wharves and warehouses. An attempt will be made to induce Chinese residing overseas to invest in the enterprise.

Sino-German Industrial Cooperation

The German Industrial Commission, which has been inspecting conditions at Shanghai, in Chekiang province and at Hankow, returned to Nanking on May 12 for a conference with officials of the National Government. It was stated that the commission planned to spend several days in the National Capital conferring with officials of the Government in regard to Sino-German cooperation in various Chinese industrial enterprises. The members of the German commission will lecture at the various universities while in Nanking.

Two Shanghai Railways to be Made "Model" Lines

The two Government railways having their headquarters in Shanghai, the Shanghai-Nanking and Shanghai-Hangchow-Ningpo lines are to be made the "model" railways of the country according to a proposal submitted to the Ministry of Railways by Liu Wei-tse, managing director of the two lines. The proposal which he submitted provides for the rebuilding of the central station at Shanghai and the construction of a new station in the Hsiakwan section of Nanking as well as the modernization of all station platforms along the two lines. Also there is provision for the improvement of coaches, dining-car service and purchase of new cars and locomotives.

Silk Producers Urged to Improve their Output

Chen Hung-nien, vice-minister of Industry, Commerce and Labor, who presided at the opening of the National Silk Products Exposition, in Nanking on May 11, delivered an address in which he urged Chinese silk producers to improve the quantity and quality of their output "so as to enable China's silk industry to compete with foreign rivals." He declared that the Government would do its utmost to foster the Silk industry, which is China's oldest and foremost industry. Wei Ting-sen and Lou Tung-sen, economists, also delivered addresses emphasizing the importance of developing the silk industry. The exposition, now open to the public, is said to contain the largest variety of silk products ever gathered together in recent year.s

Capital Reconstruction Commission Adopts Procedure

The Capital Reconstruction Commission held a meeting in Nanking on May 8 and adopted regulations entrusting the Engineering and Economic Committees with the task of formulating detailed procedure for the carrying out of various resolutions which have been approved for the building of the new Capital. It was also decided to submit to the State Council a petition recommending the earmarking of a portion of the Boxer Indemnity Funds as security for a proposed National Capital Reconstruction Loan.

Hunan Salt Tax for Educational Work Exclusively

The Central Executive Yuan, in an order to the Ministry of Finance on May 7, instructs that the entire revenues derived from the salt tax in Hunan province, shall be used for the development of education within the province. Heretofore the salt revenue from Hunan has been sent to the Central Treasury. The action was taken as a result of a petition sent to Nanking by the Hunan provincial education department which pointed out that educational development in Hunan province is more backward than elsewhere in the country, due largely to the lack of funds.

New Municipal Government Law To Be Promulgated

A new law governing the organization and administration of municipalities throughost the country was adopted by the Legislative Yuan on May 11 and forwarded to the State Council for promulgation. The new legislation provides for two classes of municipal governments, those coming under the direct jurisdiction of the Executive Yuan of the Central Government and those coming under the jurisdiction of the provincial governments. The first type includes the National Capital and all cities having a population of 1,000,000 or over and any other locality considered of political or economic importance. The second type includes smaller cities with populations ranging from 300,000 to 300,000 and over with an aggregate municipal revenue from various license fees and land tax exceeding one half of the total income. The new regulations specify the revenue from various sources, the officials to be elected or appointed, and regulate the creation of new bureaus. There is also specified the number of councillors or municipal councils, regulations for their election, term of office and meetings, regulations for the issuance of loans, adoption of municipal regulations, etc.

Sanitary Slaughter Houses Used for Kiangsu Province

The Shanghai Bureau for the Testing of Commercial Commodities has petitioned the Ministry of Industry, Commerce and Labor, for the early construction in Kiangsu province of a number of sanitary slaughter houses in various parts of the country, but especially in Kiangsu province, so as to comply with the import requirements of foreign countries. The Ministry of Public Health has been asked to cooperate in the enterprise, the importance of which is shown in the export figures of $200,000,000 worth of meat products exported from China annually. It was stated that the recent tightening of import regulations in various countries had seriously affected Chinese exports and there was likelihood of serious damage unless China took immediate steps to improve her exports. The Shanghai Bureau of Inspecton has made a study of the import laws of various foreign countries and has made a summary for the inspection of the Chinese Government. One model slaughter house under the direction of veterinary experts is now under construction at Jukaw, near Shanghai. Investigators have been sent out along the railways in both Kiangsu and Chekiang to select locations for other modern slaughter houses.

Chinese To Develop New Port at Chungshan

The State Council of the National Government announced on May 10 that regulations had been approved providing for the creation of a "free port" and the development of a harbor for deep-sea vessels at Chungshan located at the mouth of the Canton river in Kwangtung province. The new port is to be a part of the development of the

(Continued on page 465)

Disturbances in India Continue

The disturbances in India incidental to the campaign of civil disobedience show no signs of abating. After Gandhi's arrest last week, an octogenerian disciple of his, Abbas Tyabji, took up his work, and announced his intention of making a raid on private salt works at Dharasana. He paid no attention to a warning from the District Magistrate at Surat, and in reply said he intended to carry out his program, which was to commence a march of volunteers from Surat. He and 59 volunteers were arrested early on the morning of May 12. When brought to trial, Tyabji declared that a prosecution of this kind against him was futile as the whole country was up against the present system of government. He said he hoped that the whole of India would now rise like one man, break the Salt Law, and refuse payment of the land revenue, "thus bringing to an end this cursed system." He was later sentenced with others to serve a prison term.

At Sholapur a Moslem policeman was burned alive early last week. This city, where martial law is in force, continues to be a storm center. Up to May 11, 800 troops had been massed there, coming mostly from Poona.

"Passive resistance" as well as violence marks Mahatma Gandhi's newest revolt against British rule in India. Here you see native workers on the Great Indian Peninsula railway as they lay down outside the entrances to the railway offfices to hinder people in getting in and out. An officer is stepping over a row of prostrate strikers outside the offfices at Byoulla.

Viceroy Makes Conciliatory Statement

The Viceroy, Lord Irwin, issued a statement at Simla, May 12, emphasising that, despite disturbances, the Government of India is determined to abide by the constructive policy he announced on November 1 last year. Steps are being taken, the statement added, to arrange for the assembling of the Indian Conference in London on October 20. The Viceroy says that the date October 20 is later than, in some respects, he could have wished, but that it would offer the delegates from India the advantage of establishing personal relations with the Dominion representatives to the Imperial Conference. The opening of the Indian Conference, he stated, will follow immediately upon the conclusion of the Imperial Conference. Lord Irwin emphasized that constructive work such as they are all eager to begin is only prejudiced and obstructed by disorder. Therefore he appeals to all persons throughout India calmly and dispassionately to consider these facts.

In the House of Commons, May 12, the Secretary of State for India circulated a long telegram from the Indian Government in which it was stated: "Organized attempts are now being made to spread malicious and alarmist rumors, and until the public have learnt by experience that they are totally unworthy, their currency will tend to maintain a state of excitement in the towns. Many of the reports appear to be circulated with the definite intention of encouraging a violent revolution. Measures are being taken to deal with this development. Despite efforts made by revolutionary representations and otherwise to involve Mohammedans in the movement, the commnunity, as a whole, has refused to join it and prefers to rely for political advance and the protection of its own interests on constitutional methods."

The Labor daily newspaper in London, the *Daily Herald*, says that there is only one remedy for the situation in India and that is the courageous carrying out of promises made but not yet fulfilled.

Much valuable information on India is contained in *Young India*, a weekly newspaper edited at A hmedabad by M. K. Gandhi. A recent editorial entitled "The Immoral Foundation" says: "The Indian Empire was conceived in immorality, for it was to perpetuate the exploitation of India's resources that it was founded."

Sympathy for Nationalists from Shanghai

On receipt of the information that Mahatma Gandhi had been arrested the 6th District Kuomintang of Shanghai addressed a lengthy telegram to the Indian Nationalists expressing their full sympathy and encouraging them to continue their struggle against the British imperialists. Among other things the message, said:

"The arrest of Mahatma Gandhi has amply proved that the end of the British imperialists is near. Although your leader has temporarily lost his liberty we take it for granted that his detention really means a 'Morning Bell' for Indian liberty. If you Nationalists can continue your struggle against those who live on human blood their blood will in turn be sucked by others. God will help those who help themselves."

The Indian Youth League of China, with headquarters at 241 Paoshing road, has issued leaflets with the title "Indian Revolution of 1857 and To-day." They call attention to May 10 as the anniversary of the Indian War of Independence of 1857. The pamphlet among other things says:

"We are fighting for the independence for which the Chinese, Korean, Javanese, Annamite and Philippine peoples are fighting. Our cause is one, the emancipation of Asia from world imperialism. To-day the British Labor Imperialists are carrying out the policy of world imperialism in India, which we should abolish without question. Chinese students, workers and revolutionaries, we appeal to you for your sympathy and support in our fight for freedom. If we, the people of Asia, want to be free, we should stand together and fight. The fight of the Asiatic peoples for freedom is one."

The trial of the two Indians arrested in Shanghai last week for distributing seditious literature ended very mildly. One of them was released on his own recognizances and the other was not identified.

Japanese War Loan Replaced with Loan Paying Higher Interest

Announcement was made in New York May 17 that a G. $50,000,000 bond issue for Japan, thrown open late last week, had been subscribed within a matter only of hours. This loan's proceeds will be used to retire loans contracted during the Russo-Japanese War at four per cent. The new loan will bear interest at five and-a-half percent, and will run for 35 years, instead of 20, as did the original one.

British Tanks for Nanking Government

The question came up in the House of Commons May 12 as to whether recent negotiations had occurred with the Nanking Government for the delivery of British tanks. It was then stated that there had been no negotiations so far as the British Government was concerned, but that at the request of the Nanking Government a British firm had recently supplied eleven tanks and had contracted to deliver twelve more.

Men and Events

Sir Miles Lampson, the British Minister, and party, arrived back in Peiping May 12.

J. V. Crowe, manager in China for the Ford Motor Company, departed this week on a business trip to Hongkong.

H. E. Morriss of Shanghai departed this week for Europe, traveling by way of the Trans-Siberian railway across Russia.

The National Foreign Trade Council will meet at Los Angeles May 21, 22 and 23. Some two thousand delegates are expected to be present.

The China International Famine Relief Commission shipped 515 tons of supplies for famine sufferers at Sian by military train from Fengtai May 3.

The National Reconstruction Csmmission of the National Government has published a sixteen page brochure giving a record of its work in recent months.

Mei Lan-fang gave his concluding performance at San Francisco May 9 and then proceeded to Los Angeles. Mr. Mei is scheduled to sail from Los Angeles on May 31, stopping at Honolulu and giving performances there.

Louis Guenther' publisher of the *Financial World*, New York, was a visitor to Shanghai during the week. In an interview he paid a tribute to the spirit of enterprise shown by business men in the Far East.

A federal indictment was returned by a grand jury at Los Angeles last week charging the well known flyer Loren Mendell with participating in a conspiracy to smuggle Orientals into the United States.

The wedding took place at the Majestic Hotel, Shanghai, May 10, of Miss Cheyne Kung, daughter of S. M. Kung, and K. L. Chen, son of C. Y. Chen, Shanghai banker. The groom is a student at Fuhtan University.

The sixth international road congress will be held at Washington, in October, 1930. The congress will be held at the invitation of the U. S. Government and will be attended by highway engineers from all parts of the world.

The State Council has appointed General Hsiung Shih-hui, Gendarmerie Commander of the Shanghai-Woosung Area, to the concurrent post of Bandit-Suppression Commander for the provinces of Kiangsu, Chekiang and Anhwei.

Mrs. Isasc Newell, wife of the former commander of the U. S. Expeditionary forces at Tientsin, who has been visiting in Shanghai for several days, departed last week for Peiping. Col. Newell is now stationed at San Francisco.

Samuel Sokobin, United States Consul at Foochow until recently when he came to Shanghai to enter the hospital, left this week for the United States for further medical treatment. He is suffering from pleurisy. Mrs. Sokobin will accompany him home.

Mr. and Mrs. J. Perkins of the Paramount Picture Corporation and Mrs. J. V. Crowe, wife of the manager of the Ford Motor Company, planned to depart on Saturday morning this week by airplane for Nanking for a weekend visit in the National Capital.

Three Koreans were deported from Shanghai by the Japanese authorities during the week. One was charged with violating the peace preservation regulations, another with having no visible means of support, and the third was charged with being a Communist.

Miss Alice Bowen, daughter of Mr. and Mrs. A. J. Bowen, former President of Nanking University, and Willard J. Simpson, of the Agricultural Experiment Station at Changli, Hopei, were married at the Methodist Girls' High School chapel, Nanking, on May 3.

Dr. V. K. Wellington Koo, former Minister of Foreign Affairs and Premier and representative of the former Peking Government at various international conferences, arrived in Shanghai this week for a visit with his mother. For several months Dr. Koo has resided in Mukden.

A dinner dance will be held by the American University Club, Thursday evening, May 22, at 8 o'clock at the Astor House, Shanghai. Nelson Trusler Johnson, the American Minister, will be the guest of honor. The U. S. Fourth Marine Band will furnish music.

The *Green Year Supplement* is the name of a 20-page news leaflet issued monthly by the National Y. W. C. A. of China, it being the English supplement to a Chinese publication known as *The Green Year*. The May issue contains contributions by Florence Pierce, T. Y. Wu, May Bagwell, Eleanor M. Hinder and others.

The Chinese students of the University of Frankfort, Germany, May 11, held the first funeral ceremony in the history of the University, same being for the late Professor Wilhelm. Counsellor Chen, of the Chinese Legation, and Baron von Schoen, of the German Foreign Office, were among these who attended the ceremony.

The Supreme Court of the State of New York on April 25 decided that Virginia Harrison Gross was entitled to a trust fund of G.$250,000 created by her husband, Christian Gross. Virginia Harrison Gross, daughter of former Governor General Francis Burton Harrison of the Philippine Islands, has frequently visited in Shanghai.

Dr. Anne Walter Fearn departed this week for the United States where she will participate in the campaign which has been launched to raise an endowment fund of G.$1,000,000 for the Shanghai American School. Dr Fearn is scheduled to deliver addresses in various parts of the United States dealing with the needs of the school.

Count de Martel, the French Minister, who had been in Shanghai and Nanking for the formal signing of the new Sino-French Commercial treaty, was entertained at dinner by the French Chamber of Commerce on the evening of May 13. Count de Martel was recently appointed French Minister to Japan and will shortly proceed to Tokyo.

J. E. Jacobs, Administrative Consul at the American Consulate-General at Shanghai, is being transferred to the State Department this fall and his place here will be taken by Paul Josselyn, formerly Chinese Secretary at the Legation in Peiping. For the past four years Mr. Josselyn has been connected with the Department of State in Washington.

James P. Howe, correspondent for the *Associated Press* in Peiping, passed through Shanghai this week on his way to India where he will cover the revolutionary situation on behalf of American newspapers. H. S. Timperley, correspondent for the *Manchester Guardian* in Peiping, will represent the *Associated Press* during the absence of Mr. Howe.

A recent telegram from San Francisco published in the Shanghai *Evening Post* reads: "Oriental Citizen Fong, born in California, asked the authorities if his son about knee high could come from China. They said, yes, but when Big Fong Bing Len arrived, his size caused him to be held by the immigration people. Judge Woolsey decided in favor of the Fongs."

A recent *United Press* despatch from Washington states that a survey of the number of Chinese students going to the United States during the past two years, as compared with 1921 and 1922, showed a marked decrease with a total of 948 for the most recent period as compared with 1255 for the former. Koreans and Japanese, on the contrary, have nearly doubled in number.

The fourth biennial conference of the Institute of Pacific Relations will be held next year at Hangchow, Chekiang province, according an announcement of the Ministry of Foreign Affairs on May 15. The Cheking Provincial Government has been requested to construct a suitable building for the housing of the international delegation expected to attend the Conference.

A correspondent from Tehchow, Shantung, writes that the rather long-standing enmity between the magistrate and the "tang pu" came to a head on a recent night at Lintsing, resulting in a pitched battle between the two factions. For a consideration the magistrate had secured as an ally the notorious General Hsueh of Tung Chang Fu fame, with fifty men, all well mounted on excellent horses, and thus he was easily the victor.

The sermon at Community Church on Sunday morning, May 18, which will be delivered by the Rev. E. W. Luccock, Pastor, will be devoted to the "Prophet Baalam" one of the two most misunderstood and most caricatured figures of the Old Testament. There will be special music by the choir and a selection by Mrs. R. M. Vanderburgh and Mrs. Chaplain Thompson. The following officers of the Governing Board were elected for the coming year, Chairman, Frank Williams; Vice Chairman, D. J. C. McCracken; Secretary, Mansfield Freeman; Treasurer, C. D. Meinhardt. Plans are being made for a celebration of the tenth anniversary of the founding of the Church next September.

Silver Touches New Low Depths

After two months of comparative quiet with the exchange as between the American gold dollar and the Chinese silver dollar standing at just under one to three, with everybody hoping that silver had seen its worst—there has been another sharp decline in silver prices this week, with the result that a new low record was reached May 15, when gold bars went to Tls. 526, with gold dollars selling at Mex $3.12.

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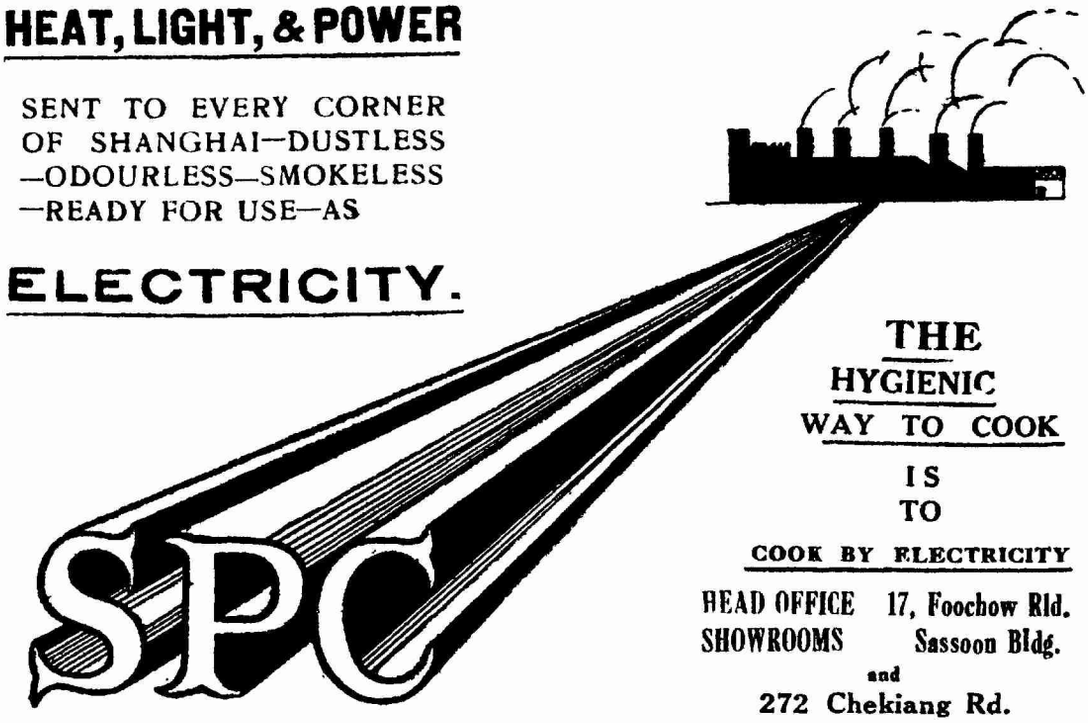

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Bank of China Holds Annual Meeting

The economic and political evils which beset China at the present time were ably summarized by Li Ming, general manager of the Bank of China, at the annual meeting of the Bank held in Shanghai, May 10. The particular point made by the speaker was that it was an astounding situation that China, an agricultural country, imported in the year 1929, two hundred million dollars (Chinese currency) of foodstuffs—rice, wheat and wheat flour. He also referred to the failure of the authorities to curb banditry, and recommended, in view of the drop in silver, that the country seek a gold basis.

"Taking the whole country into consideration, the trade of China has in reality receded year after year." said Mr. Li. "Unless the situation is immediately corrected, the strain on the livelihood of the people may be stretched to the breaking point, and the consequent damage will be irreparable and beyond our imagination."

Reviewing the silver situation Mr. Li said there was a balance of 105,825,976 Haikuan taels worth of silver as the net import into China last year "Regardless of China's needs and the range of fluctuation in silver prices, as long as China remains on the silver basis", said Mr. Li, "she will be the sole victim of violent fluctuations in the prices of silver; it is our fervent hope that the Government will soon take all the necessary steps towards the final adoption of a gold exchange standard, so as to remove this serious cause of uncertainty—a hindrance to foreign trade. Now that the Customs revenue is being paid in gold units, the national income will be proportionately increased. It will be well to set aside this surplus revenue as a reserve fund to show the earnest efforts on the part of the Government towards the adoption of a gold exchange standard, for which it is absolutely necessay to build up an adequate gold reserve abroad. Without this reserve, all other measures and suggestions for changing to a gold exchange standard will be entirely ineffective."

Taking up the question of the deposit of Customs funds Mr Li said: "As long as the integrity of the Maritime Customs remains unimpaired, our bank is able to undertake the service of not only the foreign but also domestic loans secured on the Customs revenue for the Government, irrespective of disturbed political conditions. It would be a financial disaster, if political circumstances were permitted to damage the integrity of this service. In this connection, it is earnestly hoped that the inadequately secured and unsecured loans will soon be consolidated, and that the surplus customs revenue will be totally appropriated to meet the loan services, instead of being used for military and administrative expenses of the government. In this way, China's credit abroad will be improved. The placing of the loan services with our bank has virtually strengthened our credit standing abroad, thus enabling us to develop our foreign business as an aid to the promotion of foreign trade. This is the practical application of the privileges and responsibilities assigned to us by the Government under the new charter. Hereafter we shall be in a position to concentrate our efforts towards the promotion of commerce and industry, as a basis for the foreign trade of China."

Reviewing the business of the Bank, Mr. Li stated that in 1929, fixed deposits increased by $2,870,000, while current deposits increased by $47,520,000. The sum total of these two items amounted to over $438,090,000. which is three times the total of 1917. The total amount of notes in circulation at the present time is $197,700,000, an increase of $25,400,000; fixed loans have increased by $2,690,000; call loans have also increased by $48,230,000. The increase of investment in securities is very little,being only $600,000. On account of building warehouse to meet the need of merchants, the bank premises show an increase of $1,400,000. Cost of notes written off in 1929 is $660,000, with a balance of $1,635,000 still remaining. Mr. Li said the directors felt it was against the principle of accounting to list this item on the asset side of the balance sheet and therefore within a year or two, they proposed to write it off altogether.

The net profit for the year ending December 31, 1929, after providing for bad and doubtful debts was $1,962,414,-21. A dividend of seven percent was declared.

Who's Who in China

Lo Chia-heng, lawyer; born at Kian, Kiangse in 1886; received his literary degree during the Ching Dynasty after which he was sent to Japan to study a political economic course at the University Wesada; after graduation he received a Chu-Jen (M.A.) degree from the Board of Education; appointed director of the Political Department and concurrently director of the Internal Affairs Department of Kiangse; president and professor at Kiangse University of Law; member of the first parliament of the Republic of China; member of the commission to draft a constitution and concurrently editor of the *Ming Chu Pao* and *East Asia News* at Peking, 1911; practiced law at Hankow, 1914-17; adviser to the Kwangtung military government, 1917; vice-minister of Agriculture and Commerce, 1922; president of University of Civilization at Peking, 1925; practiced law at Shanghai, 1926 to the present; decorated with the first class Tachou Chiaho and second class Wenfu in 1922; address: 64 Peking Road (4th floor), Shanghai.

Lo Chia-heng
羅家衡字象平

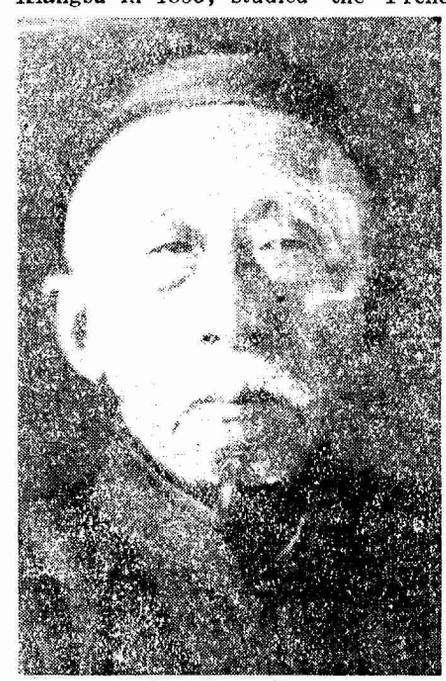
S.Y. Jowe, educator; born at Kaiping, Liaoning (Fengtien) in December, 1899; was graduated from the College of Foreign Languages, Mukden in 1919; studied at Meiji University, Tokyo in 1920; received his B. Sc. degree from Oregon State College in 1923; studied sociology and modern psychology at the Universities of Illinois and Missouri, 1923-24 and received his M.A. degree; chief secretary of the education division of the provincial government at Mukden and professer of the sociology of modern civilization of Northeastern University, 1925-28; dean of the college of education at Northeastern University, 1928; dean of the college of letters and arts of the same university, 1928-29; appointed director of the education department at Harbin in April, 1930, which position he still holds; address: Provincial Education Department, Harbin.

S.Y. Jowe 周守一
(Chou Shou-i)

Dr. Louis Ngao-siang; Northern government official; born at Paoshan, Kiangsu in 1891; studied at the middle school of College l'Aurore of Zikawei, Shanghai, 1904-07 and was graduated at the head of his class; studied law at the University of Louvain, Belgium, 1908-14 and received the degrees of A. B., M. A. and Doctor of Political Science and Diplomacy; his thesis was "Le Regime des Capitulations et la Reforme Constitutionnelle en Chine;" returned to China in 1915 and was appointed attache of the Bureau of Councilors in the Waichiaopu (Ministry of Foreign Affairs); attache in the commercial department, 1916; secretary of the Waichiaopu, 1917-19; professor of law in the Government University of Peking, 1916-20; served on the German and Austrian peace treaties commission and on the commission to study the League of Nations Covenant, 1919; commission to study the Versailles Treaty, 1920; commission to study the retrocession of consular jurisdiction, 1920; Russian affairs commission, 1920; commission to study the revision of commercial treaties, 1921; appointed acting councillor of the Waichiaopu, 1921; councillor on Sino-Russian negotiations, 1923; received the rank of Chien Jen, 1924; appointed full councilor of the Waichiaopu, 1924; member of the commission on Sino-Russian treaty negotiations, 1924; served at the Customs Conference, 1925; given the rank of Minister Plenipotentiary, 1924; director of the political department of the Waichiaopu, 1927-28; chief of the Foreign Ministry, 1928; became councillor to Gen. Yen Hsih-shan and promoted to diplomatic councillor in Gen. Yen's headquarters, 1928; appointed commissioner of Foreign Affairs in the Northern Government in April, 1930; address Ministry of Foreign Affairs, Peiping.

Dr. Louis Ngao-siang (Chou Ha-hsiang)
朱鶴翔

Wu Tsung-lien, politician; born at Kiating Hsien, Kiangsu in 1855; studied the French course in the language school of Kiangnan Arsenal, Shanghai and passd district examinations with honor, 1876; student at Tung Wen Institute, Peking, 1877 and received the literary degree of Kung Sheng; appointed Grand Secretariat in Ching Government, 1883; interpreter in the Chinese Legation at London, 1885-97 and for a while was connected with the Chinese Legation in Russia; negotiated Belgian loan on behalf of the Lu-Han Railway (now extended as the Peiping-Hankow Railway) and was later appointed managing-director of the line; teacher of French in the



Wu Tsung-lien
吳宗濂字把清

language school of Kiangnan Arsenal in 1901; went to Paris as second class secretary in the Chinese Legation, 1902 and was later made Charge d'Affaires in Madeira; he was then put in charge of Chinese students in Britain, France, Belgium and Germany with headquarters at Brussels; concurrently he was ordered to study conditions in Europe and America; later he was made first class secretary to the Legation and appointed to study army and navy affairs in France and Belgium; he also acted as Charge d'Affaires at Vienna for one year until recalled by Yuan Shih-kai and appointed senior councilor and junior secretary of the Board of Foreign Affairs; assisted in the funeral ceremonies of Kwang Shu and the Empress Dowager in the winter of 1908; attached to the Chinese Legation at Rome, 1909 and on the establishment of the Republic he was appointed China's delegate to Italy; returned to China in 1914 and became Councilor of State; special commissioner for Foreign Affairs at Kirin, 1917; member of China conference on the World War, 1918; Senator in the Second Parliament, 1918; member French Municipal Council, Shanghai, 1925; appointed member of the civilian committee of Foreign Affairs, Shanghai and member of the treaty revision committee, Nanking, by the National Government at Nanking; translator of "A Study of the German Army;" holder of the following decorations: Officer of the Legion of Honor (France); Officer of the Order of Leopold (Belgium); Commander of the Order of Franz Joseph (Austria-Hungary); Grand Cross of the Order of the Crown (Italy); Grand Officer of the Order St. Maurice Lazare (Italy); second class Double Dragon (Ching Dynasty); second class Chiaho (Republic of China); second class Paokuang Chiaho (Republic of China); second class Wenhu (Republic of China); address: Ministry of Foreign Affairs, Nanking.

CHINESE UNDER FRENCH RULE IN INDO-CHINA

(*Continued from page 448*)

of the finger print. The French authorities compel all Chinese to put their finger print on passports or permits to reside in the country. To the French way of thinking the finger print is simply a method of identifying a person and carries no odium to the party in question. But the practice of executing the finger print in China is only among the criminals, and hence the association of this idea becomes most objectionable to Chinese who have to submit to the process. Apart from their innate prejudice, the Chinese find that foreigners in Indo-China are not required to give their finger print, and they see no reason why they should undergo what they regard as an insult to their national pride. However, it is comforting to think that this practice as well as the above-mentioned acts of discrimination will disappear with the dawn of the new Sino-French Treaty, which it is to be hoped will place Sino-French relations on a far more satisfactory footing than they have hitherto been—a hope which finds echo in the heart of every Chinese patriot in Indo-China.

IN THE FIELD OF NATIONAL RECONSTRUCTION

(Continued from page 460)

Chungshan "model" district located on the coast adjoining the Portuguese colony of Macao and directly opposite the British colony of Hongkong. The present site of the port is known as Tangchiahuan, a small village on the coast south of the Chungshan model district. The name of the village is to be changed to "Chungshan," and according to the report from Nanking, the present administrative headquarters of the district at Shekki, located inland, is to be transferred to the new location. An industrial bank and industrial corporation with a capital of $5,000,000 is to be established within the year. According to Sun Fo, one of the commissioners of the district the new port will accommodate ocean steamers and once was suggested as a Chinese naval base. The National Government has granted the new free port a charter for 60 years.

The Chungshan Model District (described on Page 365 of *The Review* on May 3) is the birthplace of the late Dr. Sun Yat-sen. Two years ago it was created into a special "model" district and was placed under the administration of a special commission including the former premier, Tong Shao-yi; Sun Fo, Minister of Railways, and seven others, all residents of the district of Canton. Much reconstruction in the form of development of schools and modern roads already has been carried out. All gambling and use of opium have been stamped out. There are 450 schools attended by some 15,000 pupils and although but two years have elapsed since the creation of the district, it already has attracted attention in other parts of the country. The Chungshan district is connected with both Canton and Macao by modern motor-roads.

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New Books of Interest in the Far East

The Anglo-American Question

America and England? by Nicholas Roosevelt; Jonathan Cape ana Harrison Smith, New York, 1930. 254 pages, with notes and index; 2 maps and several graphs.

This book is an appraisal and a comparison of the relative positions of the United States and the British Empire. Sources of world power are analyzed and differences in resources and trade between nations are clearly shown by graphs. Mr. Roosevelt says that the expansion of America's foreign trade to equal Britain's is the outstanding commercial event of the 20th Century. Financial changes brought about by the World War are placed before the reader. British financiers led the world from 1880 to 1914 and it will take some time, even now, for Americans to learn the complicated technique required for this sort of supremacy. The manner in which Great Britain, while still maintaining herself as a Free Trade country, has imposed a number of taxes on foreign goods competing with home industries, is explained. Financial and trade balances are discussed; topics such as Merchant Mariners, Naval Power, Ocean Highways, and Partners for Peace head chapters in the book.

Mr. Roosevelt is in favor of a strong naval policy which will make America equal with England. He thinks recent events have brought about a parity "which in itself constitutes a striking reversal of Britain's traditional policy. The way is thus paved for close cooperation between the English-speaking peoples in the enforcement of world peace."

One of the most valuable portions of his book is that in which he urges Americans to inform themselves on world matters, which at present are understood by English people far better than by Americans. "The lack of political sophistication of the American is the greatest handicap. To make matters worse the average American high in the government is inclined to apply to international problems the same directness that he uses in business. In fact, there have been notorious instances when American diplomacy has been so straightforward that it has defeated its own purpose." The author characterizes the English in the following paragraph: "By treasuring experience, by amassing precedents, by clinging tenaciously to custom, by unflagging faith that England's is the right way, Englishmen have gone forth into distant lands, within or without the Empire, and with their dogged sense of responsibility have done the day's work courageously and well. Whoever has met English officials in remote places has been impressed by their high sense of duty and fair play, their sure calmness under stress, and their disregard of self in danger. Doubtless they draw strength from the knowledge of the might of their Empire, and from the confidence that, whatever may happen, their government will, in the end, support them, dead if not alive. As men of character they stand high, despite the fact that in their personal relations they are often arrogant, not infrequently ill-mannered, and on occasions narrow-minded and disdainful of the life and people about them".

Some American national traits are cleverly brought out. The fact that Americans haye absolute faith in Canadians and live happily beside them is quite different from their attitude toward the English. Mr. Roosevelt thinks there is a danger that "Americans will adopt toward the Canadians that same insufferable air of superiority which the English long held toward the Americans. . . The cocksureness of the American is too often unconscious." The book ends on the note of friendship suggested as "some form of partnership which would be based, not on rivalry, but on the pursuit of common interests to mutual advantages. This is the only sound basis for an enduring *pax Anglo-Americana*."

May 7, 1930 G.B.S

Antar, the Poet and Warrior

The Romance of Antar, by Eunica Tietjens. Coward-McCann, Publishers, New York. 200 pp. $2.50 gold.

Many of us have heard of Antar, the great Arabian warrior and poet of the so-called "Age of Ignorance", only through the Negroes, who have claimed him as their own. It remained for Mrs. Tietjens to make the life of this hero of Arabain folk-tales accessible to us in English. This she has done beautifully and lovingly, not only as a poetess, but as a writer to whom the imagination and heroism of the ancient peoples is dear. The tales of Antar, his deeds in war, his poems still sung among the people of Arabia and north Africa, and his deathless love are more historically authentic than the Iliad and the Odyssey, and Antar himself is as great an epic figure as are the Greek heroes. So we are told by Mrs. Tietjens to whom his story is dear.

The exploits of Antar, as here told, are fresh as the first breath of spring. But in these hectic, sophisticated days, one may be permitted a smile at their naivete, although it must be admitted that his deeds in war were based on motives higher than are modern wars. He ripped lions open with his bare hands, he defeated whole armies of men in battle, singlehanded, all for the sake of Abla, whom he loved above everything else. Today, however, modern wars are waged for oil or the right to build canals through other peoples' countries. Antar fought his own wars, with scimitar in hand, and he was a somewhat gory chap, coming from battle covered with blood and with many a wound. But modern war-makers have paunches and sit behind desks and watch the legs of a girl stenographer to whom they dictate their orders for more and more working men to be shipped to the front as cannon-fodder. Antar and his tribe went out marauding for camels and the women of other tribes; our modern warlords annex the territory and people of whole nations. Captives, in the good old days, were called slaves, openly and honestly. These days they are called "natives" whose slavery is hidden under another name.

And one thing can be said for Antar, even in modern days—he was a poet. With love, song came to Antar. And to song and to love he remained true not only up to death, but through the gates of death. The few poems in this book are beautiful and one or two move one deeply with their grandeur. It is of social interest that the exploits of Antar were due to the fact that he was a slave. To win Abla, the daughter of an Arabian chieftain, he had to perform deeds that no free Arabian had to perform, or could perform. And he emerged victorious. The folk tales about him, extravagant though they be, could only have been created by the masses. In his prowess, his genius, his great love, the masses incorporated themselves. And it is the masses who, through their story-tellers in the bazaars, have kept his memory alive through all the centuries from 600 A. D. until today. And let the Americans know that Antar was half Negro, who married a white Arabian girl, daughter of a Lord. And that he left poetry that lives until today, while all we know of his so-called betters is what his poetry tells us.

M.R.

Farewell to Chinese Athletes, Off to Olympic Games

A farewell reception was given in the China United Building, Shanghai, May 13, for the 150 Chinese Olympic athletes on the eve of their departure for Japan. Representatives of the World's Chinese Students' Federation, Fuh Tan University, Great China University, National Lau Tung University, Tung Chi University, The Commercial Press, Chung Hwa Book Co. *The China Critic* and the Chin Hu Athletic Association and a dozen other organizations participated.

H. D. Rodger Receives $40,000 Legal Fee

It was disclosed in proceedings at the Shanghai District Court last week that H. D. Rodger had received a fee of Mex. $40,000 for his services in connection with the arbitration of the damage suit brought by the Chinese steamer *Hsin Dah Ming* against the Japanese steamer *Atsuta Maru II*. Mr. Rodger had an arrangement with the owners of the *Hsin Dah Ming* that he was to get 25 per cent of the amount recovered. The *Hsin Dah Ming* was awarded $165,000 for the loss of the vessel and $25,000 for loss of cargo.

Commissioner of Education Wishes to Control Teaching in Settlement

Chen Teh-cheng, Commissioner of the Education Bureau of the City Government of Greater Shanghai, has issued a proclamation calling attention to the inadequate educational facilities for Chinese in the International Settlement. In the course of the proclamation the hope is expressed "that the settlement authorities will awake, admit their past mal-administration and voluntarily relinquish the power of education to the Education Bureau of the City Government of Greater Shanghai."

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The Local Communication Deadlock

To the Editor, *The China Weekly Review:*

Sir,—No doubt, it is right to say that had both the strikers, and the tram and 'bus companies been a little sober in attitude and less selfwilled in negotiation, the riding public would not have to face such unnecessary inconveniences as what is a grave state of affairs today, and more grave is likely to happen, if no definite means of settling the case can be secured at an early date. With this view in mind, both the strikers and their employers should consider the following four points with good attention and special thought, as these with the unanimous support of the riding public would help them to bring about an earliy restoration of the present communication deadlock.

1.—The more delay in settlement, the more difficult shall be the negotiations; the more inconveniences caused to the public, the more losses would be sustained to both involved parties.

2.—If the strikers think that sooner or later they must assume work, and if the employers think that sooner or later they must get the strikers back to work, it is the wisest policy for them, both opponent parties to come to terms—the earlier the better.

3.—Seeing that their business, unlike any other kind of commercial enterprise, is for the convenience of the public, which cannot be discontinued for the simple excuse, (a deficit to "Money-making Policy"), the tram and 'bus companies at this critical juncture should use their utmost ability to restore the means of communication as soon as possible; remembering that their work is different from any other sort of operation, (for public good and for the convenience of the people, the strikers should return to work as soon as circumstances allow.

4.—Realizing that they are doing business with the Chinese and on Chinese soil, the views of the management should be broad enough in dealing with the present situation, and should accept the demands of the strikers, if they are proper and acceptable from the viewpoint of the daily incomes of the companies and the rising standard of living of the workmen. Realizing the difficulties that are confronting the foreign representatives of the companies, the strikers should show their fairness to them when the former's fairness is shown, should observe the importance of their position in this international community, and should do their utmost to restore the communications as soon as they can. In a word, both of them ought to treat each other fair and square, and immediate co-operation between them is absolutely necessary.

As everyone knows and everybody grumbles about, rickshaw hire has been increased to a degree of two or three times higher than the former charge, but one has to pay it one wants to ride. It does not mean that the rickshaw-man is condemnable for earning a little more extra money when an opportunity presents, but here comes the question whether all the people who want to ride in rickshaws can afford to pay the higher rate.

Taking a common laborer as an example, his daily earning is generally below a dollar, which can hardly cover the parsimonious spending of his daily outlays, say food and lodging for a wife and two or three children. As the rental is cheaper in the Native City and West Chapei, most of the laborers have to live in those places. Say, a laborer lives in the Native City and is engaged to work in a factory at Yangtzepoo. Every day he has to travel a distance from five to eight miles for a single trip. In ordinary times, he could travel by tram, trolley or bus, but during these troubled days he must walk, for he is financially disqualified to ride in a rickshaw. If he ventured to hire one, the rickshaw-man would probably ask all the money that he (the workman) earned through the whole day of his tedious hard work. He is fully willing to sit in a rickshaw for a rest, as always weary and tired he is after leaving factory, but he cannot afford to pay the exorbitant charge (exorbitant as compared with his daily pay), so he must walk if he wants to get his daily income. Think of the miserable life of the workman, who after a whole day's hard labor, has to walk 6 to 8 miles before he can have a bowl of lowgrade rice, the only "joy" in his life at the end of each day! He is suffering, suffering most painfully, but the well-to-do public and the men in power who can put the situation to its normality at an early date raise no hands is yet. He is thirsty of helping hands, but whose hands are to be helping first! As it concerns most of their own countrymen, would the Chinese Councillors on the Council raise up their hands first?

As regulated in most of the factories, workmen are requested to begin working at 7:00, or 6:30 every morning. In normal times, he could get up one hour earlier before the factory opens, but as foot walking is always slower than street cars, now he has to get up two hours earlier before the factory commences to work. In other words, he has to get up at 4:30 a. m. if the time of starting work is at 6:30; 5:00 a. m., if the starting time, is 7:00. Thus, it is awfully hard for a workman to get up continuously at 4:30 in the morning, after a whole day's hard working and tedious walking in the evening. More difficulties are added during rainy days, but he has to continue doing so, lest he would be fined in factory as "being late", which means 20 or 30 cents reduction out of his daily wages of under a dollar. In a word, he is suffering a double hardship, which could be swept away if only the communication were restored at once.

As regards the difficulties that a woman worker (young ladies of all classes inclusive) has to suffer, they are doubled, because besides the same hardship as experienced by man-workers she is often jeered at, flouted or whistled at by loafers and rascals while passing alley-ways or walking along streets.

This public immorality, of course cannot be avoided as long as the loafers, rascals and desperadoes are officially or unofficially not suppressed. In this instance during normal times, the worst thing of all, is that not infrequently young women are seen openly sneered at, shrieked at and insulted by police on duty! As the largest part of the S. M. C.'s total revenue is spent in the police, and the police department is entrusted with the most important responsibility of affording "protection" and preserving "tranquillity" for the "Model" Settlement, something must be done in order to save the good reputation that the police fathers and forefathers have earned.

Die-hard Action of the 'Bus Company

To think that most of their business is from the Chinese community, and to realize that they are doing business in China on Chinese soil, it is an utterly unwise policy for the 'bus management to engage "White" Russians to replace the Chinese workers on striking, which is an act of "breaking the rice bowl" of the Chinese workmen, and more foolish is their "die-hardism" in rather paying more to the "whites" than what their old employees demand to receive by striking. Is the "Shanghai Mind" as evidenced in the last Annual Ratepayears' Meeting still existing?

The wire screens around the 'bus windows and a police guard or two within are giving too queer an aspect in this peaceful city, which with the prestige of the "Shanghai Mind" might be praised as an "invention for protecting public safety"! Shame to London and New York, as the newest way of "protecting" passengers is invented in this part of the world!

Shanghai, May 14. 1930. HOU CHIH-HSIN

Additional British Troops In China Cost £270,000 Annually

Replying to a question in the House of Commons on May 13, Secretary of State for War, Tom Shaw, said that the establishment of British troops in China consisted of approximately 365 officers and 7,000 other ranks. These figures included British Indians and Colonials, which form the normal establishment and the additional British troops temporarily stationed in China. The extra cost of the additional troops was annually £270,000, he said, and added that there was no immediate intention to increase the complement. The figures included the Hongkong garrison.

Legislative Yuan Ratifies Treaty with Japan

Formal greetings were exchanged May 7 between Dr. C. T. Wang, Chinese Minister for Foreign Affairs and Baron Kijuro Shidehara, Japanese Minister for Foreign Affairs of Japan, upon the occasion of signing the Sino-Japanese Customs Tariff Agreement.

A minor point in connection with the ratification of the treaty was discussed at an extraordinary session of the Legislative Yuan held at Nanking May 12. Various members called attention to the fact that the Organic Law provided that the treaty had to be referred to the Legislative Yuan for approval. Dr. C. T. Wang explained that he considered the course he pursued of securing the early conclusion of the treaty the best. The incident was settled by the Legislative Yuan ratifying the treaty on the following day.

THE SINO-RUSSIAN SITUATION ON THE EVE OF THE CONFERENCE

(Continued from page 444)

which had been raging in Harbin for many months causing many deaths.

Aside from the Russo-Chinese complications peculiar to emigration and the clash of interests in Manchuria there are other complicating elements affecting Chinese politics in a larger sense, one phase of which has to do with the activities of the Chinese "Christian General" Feng Yu-hsiang. While it is difficult to separate truth from propaganda on this question, the Chinese for long have suspected Feng of rather too close relations with Moscow, the latest allegation being that the "Christian" Marshal has granted the Russians the right to construct two railways running into Chinese territory, one connecting the Trans-Siberian line with Urga, the capital of Outer Mongolia and thence passing southward across the Gobi desert and connecting with the Chinese railway running northwestward from Peking to the town of Powtochen in the Suiyuan district north of Shensi. The completion of this railroad would give the Russians their long-desired route to a warm-water port on the Pacific at Tientsin. The other projected road, having the same object, would be an extension of the new Turkestan railway which has just been completed by the Soviet Government, eastward through Chinese Turkestan or Sinkiang, thence eastward through Kansu and Shensi provinces to the western border of Honan where it would connect with the Chinese Lung-Hai line which extends for a distance of 600 miles reaching the Yellow Sea at a new port called Haichow located just south of the Shantung Peninsula. Marshal Feng's political enemies allege that he has granted the Russians the concession for the construction of these two important railways, "short cuts" from Europe to Asia in the event Feng is ever able to establish himself as the controlling factor in the Chinese Government. The Russian inducement is alleged to be large loans and munition supplies to the "Christian General," the amount reported being anywhere from $10,000,000 to $50,000,000. Foreigners who have had contact with Feng's army in Shensi and Honan allege that all of the rifles bear the imprint of Soviet manufacture. Then finally there is the repetition of the now three-year-old allegations of Soviet backing of communistic intrigue in China, but from present tendencies in south China, the Chinese Communists apparently have reached the point where they can stand on their own feet and are able to terrorize large districts without any outside help.

LATEST DEVELOPMENTS IN THE NORTH MANCHURIAN AREA

The Chinese delegation to the Moscow conference arrived in the Soviet capital on the morning of May 9 and was met at the station by representatives of the Commissariat of Foreign Affairs and a large crowd of people. Due to the serious housing shortage in Moscow it was arranged that most of the members of the Chinese party would reside on the special cars supplied by the Chinese Eastern Railway which carried the party from Harbin. Mo Teh-hui, chairman of the delegation and his chief secretaries will reside at the premises of the Chinese Embassy while in Moscow. The various official Soviet newspapers published articles of greeting to the Chinese, all emphasizing the importance of the meeting. The Commissariat of Foreign Affairs arranged twelve banquets for the Chinese guests and it was announced that the first week, following the arrival of the Chinese party, would be taken up with official calls and receptions. The actual work of the conference probably will not begin before May 20.

According to a report which appeared in the *Kiangnan Evening Post* of Shanghai on May 10, Mo Teh-hui, on the evening prior to his departure from Harbin announced to a group of newspapermen in Harbin the basic policy of the Chinese delegation in connection with the forthcoming conference, his outline including the following points:

1—The Chinese delegation was determined to fight hard for the recovery of national rights in North Manchuria.

2—The Chinese delegation would make a definite proposal to the Soviet Government to purchase the Soviet interests in the C. E. R.

3—Since the Soviet Government is the legal successor of the late czarist government, the Soviet Government should reimburse the Chinese in North Manchuria for losses incurred due to the collapse of Russian roubles circulated in Chinese territory through the C. E. R.

4—China would attempt to negotiate a new treaty on a basis of absolute equality.

Mo Teh-hui in his address declared that he was not qualified for the important mission that had been entrusted to him, but that he had accepted upon the urging of the Mukden and Nanking Governments, both of which had assured him of full support.

Would Close the Chalainor Mines

Much indignation was aroused in Harbin on May 10 when it became known that the Soviet management of the C. E. R. had decided not to reopen the Chalainor coal mines located near Manchouli which had been closed since the fighting between the Chinese and Red Russian troops in that vicinity last fall. Owing to the flooded condition of the mines, all work was stopped during the past winter, but it was expected that repairs would be effected and the mines reopened in the spring. However, it was stated that the Soviet Manager of the railway, Mr. Rudy, had decided in future to purchase all coal from the Soviet mines located at Cheremhovo and Abagaiti as well as from the Chinese mines at the opposite end of the railway at Mulin as well as from the Japanese mines at Fushun. The result of this decision was to immediately raise the price of coal in Harbin as well as to other towns on the western line dependent upon supplies from the Chalainor mines.

The Chalainor mines which are said to be the largest in China, were closed as a result of damage to the pumping machinery caused by the Soviet air-bombing and artillery firing during the fighting at Manchouli late last fall. According to the report at the time, a large number of employes of the mines, in order to escape the soviet bombing attacks and gunfire, fled into the mines for safety, but that a Red airplane bomb had destroyed the pumping machinery causing the flooding of the mines resulting in the drowning of large numbers of men, women and children. A later report from Harbin on May 13 stated the possibility that the Soviet Manager, Mr. Rudy might reconsider his decision and reopen the mines, later on, possibly depending on the outcome of the Sino-Russian conference at Moscow.

A report from Harbin on April 30 by the *Kuo Wen* news agency stated that the board of directors had decided to split a "bonus" of $1,000,000 equally between the Chinese and Russian employes: that the sum of $300,000 would be paid over to the railway police and a further sum of $20,000 would be assigned to the Russian College in Peiping.

Chinese organizations, according to a further report of the *Kuo Wen* news agency, had handed to Mo Teh-hui, prior to the departure ofthe Chinese delegation, an itemized bill covering Chinese losses as a result of the conflict last fall, the total sum being $175,000,000, the losses being apportioned as follows. Amur river districts, $16,800,000; Manchouli, $35,800,000; Hailar, $31,100,000; Chinese Eastern Railway, $2,100,000; Freight losses, $600,000; 1st and 2nd defense armies, $4,400,000; Chalainor coal mines, $5,000,000; Naval vessels sunk and destroyed, $750,000; Private shipping losses, $3,650,000;

official bureau of shipping, $420,000 and miscellaneous, $840,000.

Russian Refugees Continue to Arrive

According to a report published in Harbin more than 50,000 Russian peasant refugees have arrived in North Manchuria from Siberia since the first of the year due to the enforcement of the Soviet land-socialization program, the influx of destitute persons in Harbin causing a serious situation. Harbin's problem of looking after the refugees had been seriously aggravated by an outbreak of virulent "spotted" typhus, it being stated that there were 400 cases on May 13 with more than a dozen deaths daily. Among the victims was Bishop Nestor, well known official of the Orthodox Russian Catholic church who had been ill for two weeks and was in a serious condition.

Russian Bandits Driven Out

A report from *The Review's* correspondent at Hailar, dated May 1 stated that Chinese bandit-suppression troops had succeeded in driving out a considerable force of mounted Russian bandits which had been terrorizing the section of the Barga district north of the C. E. R. tracks. The Russian bandit force was said to have numbered some 200. Not wishing to risk an engagement with the Chinese forces, the Russian bandit gang had crossed the railway somewhere to the east of Yakisha station and had made its way to Urumchin, a territory of Mongolia bordering on the southern region of the Barga district. As the gang passed through Shinikan, a village to the south of Hailar they had robbed the Buryats of sheep, oxen and horses which were driven off. Apparently the bandits hope to be out of reach of the Chinese troops in the Urumchi district where they hope to be able to earn a living by hunting and thievery.

There apparently have been no further Soviet military activities or firing of shells into Chinese territory at Manchouli since April 20 when the Japanese consul stationed at that place unofficially requested the Soviet military commander on the Russian side of the line to cease such activities. The number of Soviet shells which fell in the streets of Manchouli between April 6 and 20 was ten, but no casualties resulted.

Alleged Yen Hsi-shan "Pro-Soviet"

One of the Chinese newspapers in Shanghai on May 8 published a report from Nanking stating that Chiang Tso-ping, Chinese Minister to Berlin, in the course of an interview which had appeared in the *Times* (London?) expressing the fear that the present civil war situation in China might adversely affect the forthcoming Sino-Russian conference due to the allegation that Gen. Yen Hsi-shan was pledged to a "pro-Soviet" policy. This report, in addition to another report alleging that Marshal Feng Yu-hsiang had "granted" the Soviet Government certain railway concessions, apparently were based on the apprehension existing in Chinese political circles that the Soviet Government is lending support to the Northern rebels in the hope of obtaining a better deal in the event the Northerners are successful in the present civil war crisis.

New Navy for Sungari

A report by the official *Kuo Min* news agency on May 7 from Harbin stated that the Manchurian provinces had decided to construct 14 new river gunboats for service on the Sungari and Amur rivers, the cost of the boats to be $400,000 each. It was stated that this action was necessary due to the destruction of Chinese gunboats by the Soviet Red navy last year which had the effect of leaving the Soviet in complete control of the Amur and Ussuri as well as the lower Sungari.

Japanese Life Insurance Company Finances Merchants in Tientsin

A *Rengo* depatch from Tokyo, May 14, stated that an agreement has been reached between the Da Ichi Life Insurance Company in Tokyo and the Japanese community in Tientsin for a loan contract, according to the terms of which the latter will receive an advance from the former to the total of 300,000 yen for the purpose of facilitating business enterprises by Japanese commercial and industrial enterprises in Tientsin.

Advisory Committee Favors I. T. & T. Telephone Bid

"After careful consideration of the tenders" for the purchase of the Shanghai Mutual Telephone Co., Ltd. the advisory committee of the company this week "recommended that the tender of the International Telephone and Telegraph Corp. be accepted. "After expressing their appreciation to the representatives of the three companies tendering—Capt. Cassel, Ericssons; Gill and Jammer, I. T. & T.; Schwyer and Janes, C. T. & G. T.—the advisory committee declared that they had to bear in mind: 1 the interests of the shareholders; 2. the telephone-using public as represented by the subscribers. The committee is composed of A. W. Burkill, A. S. Henchman and M. Speelman.

The committee recommended that "the price offered to shareholders of Tls. 75 a share is a fair one as regards the reorganization of the telephone service and the complete installation of automatics, the following points are in their (the I. T. & T.) favor:

1. They have a very thorough knowledge of the present system and all its faults, and of local conditions, for the past few months they have, through their subsidiary, the China Electric Company, been working on the renovation of outside lines and have a well trained staff of over 200 men engaged on this work.

2. Their ability to deliver new equipment quickly places them in a better position to repair and replace the present telephone system entirely with Automatics, all of one kind. The following schedule was given the Advisory Committee, and they were assured it could be adhered to;—

In 11	months	17,000	lines	equipped	for Automatic
„ 12	„	22,000	„	„	„
„ 14	„	24,000	„	„	„
„ 18	„	30,000	„	„	„
„ 24	„	43,000	„	„	„

3. The Staff of the Shanghai Mutual Telephone Co., Ltd. are fully acquainted with the working of the *rotary*, and their training has been in this form of automatic.

It is the considered opinion of the Advisory Committee that the advantages offered by the International Telephone Corporation for the quick organisation of the telephone system and thus better service for the *subscribers*, more than outweigh the extra percentage asked for as a return on their capital, which anyway represents a very small additional cost to the Subscriber and not in proportion to the advantages gained.

The committee's report was given only after very careful consideration of the Strowger system of the Cable, Telephone & General Trust, Ltd., which company offered Tls. 80 per share. The chief objections to this tender were:

1. A mixed system.

2. An increase in capital amount for cost of discarding the present rotary equipment and cancellation of the order for 9,000 *rotary* lines now in course of manufacture.

After quoting several statements of Mr. Janes and conflicting (or modifying reports) from his head office, regarding the scrapping, or mixing of systems, the committee quotes Mr. Anson—the independent expert sent out from England—as follows:

"It has been suggested that there would be an advantage in retaining the rotary system for existing exchanges, but that new exchanges should be step-by-step or some other system. Such an arrangement in my opinion would be very expensive because of the intercommunication apparatus required. It would be cumbersome and most difficult to manage because of the maintenance problems involved. Mixing of systems is certain to produce bad service and cannot be recommended."

The Committee then continue as follows in their report:

"The advisory committee, although not technical experts, feel that it is not to the advantage of subscribers to have a mixed system. If the Cable, Telephone & General Trust Ltd. decide to scrap all the Rotary plant now installed and compensate the manufacturers for the cancellation of the 9,000 rotary lines now on order, the cost to the new company would be considerable, and in the opinion of the advisory committee there is no outstanding advantage offered by the Strowger system to compensate for this extra cost.

"With regard to the financial side of the offers, there is a difference of opinion as to the reading of the

franchise on this point, and one tenderer has put in a minimum and a maximum. Ericsson's ask for nine percent on the capital invested; the International Telephone & Telegraph Corporation 10½ percent; and the Cable, Telephone & General Trust Ltd. ask for a minimum of six percent and fix 10 percent as the maximum to be earned, after which amount the tariff of charges will be subject to a reduction. The difference between six and 10 percent will be divided as to two percent to the New Company and two percent to a reserve, called the "Tariff revision suspense account." In other words, they require eight percent, as it is very clear that they have no intention of working on a strict six percent basis only—their minimum figure—permanent financing on this basis, in the opinion of the advisory committee, does not seem possible.

"There is a difference of opinion as to Reserves, the franchises specify a maximum of 10 percent, and not more than two percent to be put to same each year, but it is not compulsory to put anything to Reserve.

"In the course of our interviews with the representative of the Cable, Telephone & General Trust, Ltd. in view of their minimum rate of six percent, the question of reserves was gone into and the conclusion the advisory committee came to was that although they accepted the principle of reserves, they had come to no definite decision on this point, except that if they only got the minimum of six percent, it could not be expected that they should put anything to reserve, and if they got eight percent, that they are entitled to, it does not leave much margin for reserves. The advisory committee, as business men, place a good deal of importance on this question of reserves, but are well aware that the tenders are made on the franchises only, and have been considered on same only."

The Postal Remittances and Savings Bank

To the Editor, *The China Weekly Review*:—

Sir,—The inauguration of the Postal Remittances and Savings Bank at No. 5 Foochow Road, Shanghai, on the 15th of March 1930 opens new hopes for national economy and for greater facilities in the movement of funds. The new Bank is efficiently organised, consisting of five Departments, namely, Business Department, Accounting Department, Remittances Department, Savings Department and General Affairs Department. The Bank gives much encouragement to thrift and can serve the public better than any other institution of the same nature, because of the intimate relation of the postal service with the people. Through saving, the standard of living of the people may be raised and the steady growth of savings deposit with the postal banks for the last ten years shows conclusively our peoples interest in this matter. Therefore it is wise for the Postal Authorities to create at this time a separate organization to devote its energy to savings and remittances with a view to achieving still better results.

The Nationalist Government is trying every effort in its national-wide propaganda to bring the people to a concerted program of strict economy. Besides the Government, the various grades of Party organizations are also conducting a vigorous campaign of economy and acquainting the people with its benefits to the individual, to society and to the country. The expansion of postal savings is therefore a measure in cooperation with the other efforts of the Government as well as the Party Organizations towards the same direction. No one can overlook the fact that the new Postal Savings Bank fills an urgent need of the country.

I am told that since the inauguration of this Bank, more than two thousand new savings accounts have been opened. As each depositor has some personal interest in the Bank and undoubtedly wishes it to be a success, the prosperity of the Bank is thus assured. In order to insure a sound management, the Bank should have men of ability and experience. For the promotion of the savings business, publicity is also very important. The writer suggests that the new Postal Bank publish a nice little pamphlet covering general instructions on savings and remittances for the reference to the public. These pamphlets should be distributed to depositors without charge and should be placed on bank counters within the reach of all.

For my part I consider the Postal Savings Bank the most reliable institution of the country and sincerely recommend it to all who take an interest in savings.

D. S. Woo,
Ex-Chief Bureau of Finance, Hankow Special Municitality.
Shanghai, May 12, 1930.

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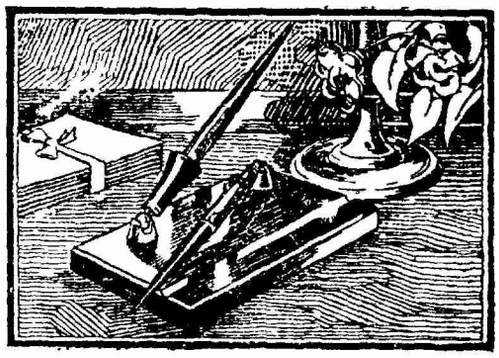

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From the Chinese Press

News items pertaining to Chinese politics and general affairs appearing under this heading, are taken chiefly from the daily reports of the Kuo Wen (independent) Kuo Min (Nanking official) and from translations of articles and dispatches appearing in the local Chinese press.

Thursday, May 8—General principles for the Sino-Turkish Treaty agreed upon.—Chinese Government protests Japanese authorities in Formosa interfering in the education of Chinese children.—Preliminary steps taken to secure rendition of the Mixed Court in the International Settlement at Kulangsu, Fukien.—Ministry of Finance instructs the Customs to prohibit the importation of foreign coins into China.—C. T. Wang and M. Shigemitsu exchange congratulations over the signature of the Sino-Japanese tariff agreement.

Friday, May 9—A memorial service at Nanking held to commemorate the 15th anniversary of National Humiliation Day.—The Shanghai Bureau of Testing Commercial Commodities petitions the Government to hasten the building of sanitary slaughter houses in meat centers in order that China's $200,000,000 worth of meat exports a year will not be endangered.—Central Government urged to warn all foreign governments against concluding any agreement with the Northern Government.

Saturday, May 10—Chinese and Japanese foreign offices exchange greetings over the signing of the Sino-Japanese tariff agreement.—It is annouuced that a free port, to be known as Chungshan Port, is to be opened up at Tang-chia-huan, Kwangtung, the birthplace of Dr. Sun Yat-sen.—Public health officials of Greater Shanghai Municipality and the International Settlement hold joint discussion on the prevention of Cholera in Shanghai.—Commercial bodies in Tientsin threaten to suspend business because of the Northern Government's action in imposing a tax on sugar.

Sunday, May 11—National Silk Products Exposition opened at Nanking.—Mo Teh-hui and staff arrive in Moscow for the Sino-Soviet conference to settle the C. E. R. dispute.—Plans submitted to the Ministry of Railways to make the Shanghai-Nanking and Shanghai-Hangchow model railways of China.—National Government planes bombard the Northern lines at Chengchow.—Legislative Yuan adopts law governing the organization and administration of municipal government throughout the country.

Monday, May 12—Ministry of Finance instructs that two-thirds of all Boxer Indemnity refunds be handed over to the Ministry of Railways. German industrial delegation returns to Nanking from Hankow.—Chiang Kai-shek returns to Hsuchow after an extensive inspection trip along the northern section of the Tsing-Pu Railway.—The Ministry of Education rules that at least one-third of the trustees of private educational institutions must have had experience in educational work.—Preparations completed for a joint bandit suppression campaign in Kiangsi, Hunan and Hupeh.—A loan of $500,000 is authorized to develop the proposed commercial harbor at San-Meng-Wan, on the Chekiang coast south of Ningpo.

Tuesday, May 13—The Chinese delegation to the Sino-Soviet conference at Moscow are tendered a banquet by the Russian Government.—Count de Martel, French Minister to China, arrives in Nanking to sign the Sino-French Commercial Treaty.—The Ministry of Foreign Affairs announces that its treaty commission has drawn up a general program for the rendition of many existing foreign settlements and concessions within the current year.—Preparations start for the building of a large model village outside Chin-chuan Gate, Nanking.—Extensive air operations by Central Government bombing planes start along the entire Peiping-Hankow Railway in northern Honan.

Wednesday, May 14—It is reported that negotiations for the termination of contracts between the Chinese Government and the foreign cable companies are proceeding smoothly.—Consternation reported among Harbin business circles by the report that the Chalainor coal mines will be suspended indefinitely.—M. Shigemitsu, Japanese Charge d'Affaires arrives in Nanking to discuss pending Sino-Japanese issues.—Executive Yuan appropriates 80,000 gold marks toward an endowment fund for the College of Chinese Studies at the University of Frankfurt, Germany.

Paul Linebarger Arrives Back in China

Paul Linebarger, legal adviser to the Nanking Government, arrived in Shanghai from the United States, May 12 and proceeded direct to Nanking. Mr. Linebarger was a constant supporter for 18 years of Dr. Sun Yat-sen during his life-time. Mr. Linebarger has made many addresses in the United States on Chinese Nationalism and he says the American public is generally opposed to the continuance of foreign economic control in China.

Large Party of Mongolian Delegates Arrives in Nanking

A party of fifty-two native Mongolian delegates to attend the impending Mongolian and Tibetan Affairs Conference at Nanking arrived in Shanghai during the week from Shenyang, where they had several preliminary meetings with General Chang Hsueh-liang, Chairman of the North-eastern Political Affairs Committee, concerning the general situation in Mongolia. The entire party proceeded to Nanking May 13.

Memorial Day (May 30) to be Fittingly Celebrated in Shanghai

The American community of Shanghai is making preparations to observe Memorial Day (May 30) in a fitting manner. A parade of American marines and blue jackets, members of the S. V. C., Spanish War veterans, Great War veterans and American Boy Scouts and Girl Guides will form at the Race Course at 9:30 a.m. and will march *via* Bubbling Well Road to Bubbling Well Cemetery, where the memorial service in honor of American dead will be held. The memorial address will be delivered by Colonel C. H. Lyman, commander of the Fourth Marines. Music will be furnished by the Fourth Marines band.

Greater Shanghai Citizens Union is Formed

The Chinese press announces that the members of the committee appointed by the Mayor of Greater Shanghai to make preparations for the organization of a Greater Shanghai Citizens Union were formally sworn into office May 12. The purpose of the new union is to consolidate the various Chinese public organizations of Shanghai and to improve the welfare of the citizens of the port. The senior employees of existing organizations are to be employed by the new union, which will devote its activities towards such movements as the rendition of the foreign concessions, the abolition of extra-territoriality, the abrogation of the unequal treaties, the improvement of the welfare of Chinese living in the foreign concessions and the suppression of greyhound racing, opium trafficking and smoking, prostitution, and other forms of crime.

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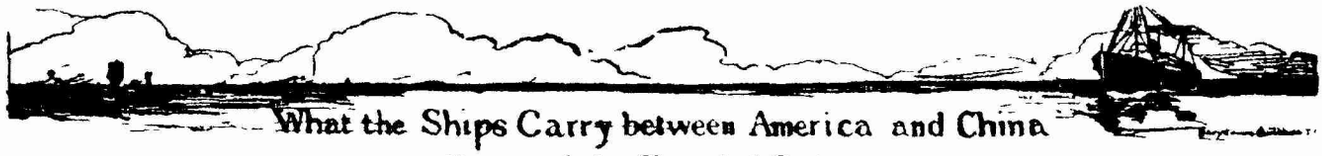

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Tea, Black, other kinds, Kiukiang		,, 27
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Gunpowder, Ningpo...		,, 23
Antimony, Regulus		,, 420
Brassware		,, 91
Chinaware, Fine		,, 38
Cotton Rags		,, 83
Egg Albumen, Dried.....		,, 173
Egg Albumen, Frozen ...		,, 791
Egg Yolk, Dried.....		,, 1,134
Egg Yolk, Frozen		,, 12
Egg Whole Egg, Frozen..		,, 1,872
Feathers, Duck.....		,, 230
Hair, Human		,, 220
Intestines, Pig		,, 34
Oil, Wood		,, 13,620
Walnuts, Kernels.....		,, 103
Wool, Sheep's		,, 234
Skins, Mole, Untanned...		Pcs. 11,480
Skins, Lamb, ,,		,, 8,000
Skins, Raccoon, Un anned		,, 4,480
Skins, Weasel, ,,		,, 49,180
Hats, Rush		,, 83,625
Treasure:		
Gold Bars .....Hk.Tls.		1,657,367

PRESIDENT JEFFERSON, March 27.
(Agents: Robert Dollar Co.)
From U. S. of America.

Cotton Shirtings, Dyed...	Pcs	11
Motor-cars	,,	6
Rubber Tires:		
For Motor-cars.....	,,	33
Rubber Inner Tubes:		
For Motor-cars.....	,,	2,072
Apples, Fresh	Pls.	302
Bacon	,,	5
Cheese	,,	2
Flour, Wheat	,,	1,029
Herrings, Salt	,,	2,900
Milk, Evaporated.....	,,	915
Paper, Printing (Wood free)	,,	2,176
Vegetables, Fresh.....	,,	15
Timber, Ordinary, Sawn, Softwood .....Sup.ft.		300,792

EMPRESS OF RUSSIA, Mar. 28.
(Agents: Canadian Pacific R'ly Co.)
From U. S. of America.

Treasure: Silver Bars G. Units.		545,042

PRESIDENT VAN BUREN, March 31.
(Agents: Robert Dollar Co.)
From U. S. of America.

Cotton Shirtings, White..	Yds.	846
Woollen Piece Goods.....	,,	37
Mohair and Cotton Plushes	,,	39
Chocolate	Lb.	300
Iron and Steel, Ungalvanized:		
Nuts.....	Pls.	4
Wire Rope	,,	12
Asphalt.....	,,	14
Asbestos Packing	,,	2
Canned Asparagus.....	,,	26
Bronze Powder.....	,,	94
Cotton Thread	,,	2
,, ,, in Skeins	,,	28
Fruits, Table and Pie	,,	166
Glucose.....	,,	27
Leather, Calf	,,	5
Leather, Cow, Patent.....	,,	28
Oranges, Fresh.....	,,	284
Paper, Coated	,,	4
Paper, Kraft.....	,,	10
Paper, Ledger	,,	22
Paper, Writing	,,	71
Paint, other kinds	,,	10
Raisins, Dried	,,	38
Shrimps, Dried.....	,,	20
Soda, Bicarbonate of.....	,,	507
Woollen Yarn, Knitting..	,,	4
Cigars	Mille	25
Enamelled-ware.....	Doz.	8
Hosiery, other kinds.....	,,	96
Shoes, Leather	Pairs	91
Lemons, Fresh	Pcs.	1,800
Rubber Tires:		
For Motor-cars.....	,,	660
Motor-truck Chassis.....	,,	9
Sand-paper .....Reams		11
Paint, other kinds	Galls.	724
Dyes, Aniline Pkgs.	129	G. Units 14,468
Treasure:		
Silver Bars.....	,,	1,622,069

Latest New York Stock Exchange Quotations

Market: FIRM Business Done 2,697,290

May 14.

1929-1930 High	1929-1930 Low	STOCK	May 12	May 13
37⅜	20	Adams Express	30	30
354¾	197	Allied Chemical & Dye ..	310½	318
184½	86	American Can	141	143
144⅝	60	American Rolling Mill ..	74¼	75¾
130¼	62	American Smelting	71	72
310¼	193¼	American Tel. & Tel. ..	246¼	247¼
246¼	160	American Tobacco "B" ..	262½	263
199	50	American Water Works ..	109	110⅞
140	67¼	American Copper	62¾	63½
199¼	50	American & Foreign Power	78⅜	80¾
77⅞	30	Atlantic Refining	42¾	43½
145⅛	105	Baltimore & Ohio	115⅞	115⅞
140¾	78¼	Bethlehem Steel	96¾	96
86⅞	26	Borg Warner	Unq	38½
61⅛	25	Calumet & Helca	20⅛	20½
296⅞	186	Canadian Pacific Railway	206	205¼
192	26⅛	Chesapeake Corporation ..	69⅝	68½
125⅞	101	Chicago Rock Island	112	112¾
135	26	Chrysler	34½	35½
68⅛	20	Cities Service, Common ..	37	37⅝
140	62	Columbia Gas & Electric ..	80⅞	85¼
88¾	16⅛	Columbia Graphaphone ..	28⅛	28¼
62	20⅛	Commercial Solvents ..	31¾	32⅜
26¾	10	Commonwealth Southern ..	17⅛	17
12⅛	1⅝	,, ,, war.	5	4⅞
188¼	80⅛	Consolidated Gas. of N. Y.	126¾	132⅞
47⅛	18	Continental Oil	25⅞	27⅛
126⅜	70	Corn Products	105	105¼
30⅛	6⅜	Curtiss Wright, Common ..	11¼	11
69⅛	21¼	Davison Chemical	35⅝	36½
231	80	Du Pont de Nemours ..	128	132
264¾	150	Eastman Kodak	243¾	247⅞
189	50	Electric Bond & Share ..	101½	103⅛
93½	41½	Eire Railway	48	47
105⅝	16¼	Fox Film "A"	52½	53⅜
88⅛	55¼	General Electric	81	83
81¾	35	General Food	59	59¼
91¾	33½	General Motors	48½	49⅛
126½	70	General Railway Signal ..	90	95¼
72	31½	Gold Dust	44⅞	45½
105¾	38¼	Goodrich Rubber	41¾	42
154½	60	Goodyear Tire & Rubber Co.	84	86
102⅞	46¼	Granby	34⅝	34½
122¼	85½	Great Northern Certificate	88	87
93½	38	Hudson Motors	45	44¾
102¾	48	International Cement ..	69½	69¾
103½	4¼	International Comb. Engine	10⅝	10¾
142	65	International Harvester ..	104⅝	107⅞
72¾	25	International Nickel	33⅞	33¼
68⅜	40	International Printers Ink	50¾	49½
14¾	5	International Products ..	7	7
149¼	53	International Tel. & Tel. ..	63¾	63
242¾	90	Johns Manville	110⅛	112⅞
104⅞	46⅝	Kemecott Copper	48⅞	48⅜
46⅜	22⅛	Kreuger & Toll	33½	33⅛
122½	37	Kroger Grocery	35¾	35
157¼	80⅛	Lambert	100½	103¼
114	80	Liggett & Myers, "B" ..	Unq	109½
108⅞	22	Ludlum Steel	32¼	31⅛
114¾	55⅛	Mack Trucks	69	68⅝
101⅜	46	Missouri Pacific	80	79½
156⅞	35¼	Montgomery Ward	42¼	44
62⅞	23¼	Nevada Consolidated Cop.	22⅜	22½
256½	160	New York Central	174	174½
118⅞	75⅛	Northern Pacific Railway ..	84	83½
146½	58⅛	Pacific Lighting	96⅛	97¾
32½	13	Packard Motor Car	19¼	18⅜
77¼	35	Paramount Famous Lasky	69	69⅞
110	72½	Pennsylvania Railway ..	77⅝	77½
30	13	Pennroad Corporation ..	13⅜	13¾
47	24¼	Philips Petroleum	41	42
137¾	54	Public Service of N. Jersey	113⅞	115¼
114¾	26	Radio Corporation	49	50⅜
66	39	Reynolds Tobacco "B" ..	52¾	53⅞
181	80	Sears Roebuck	81½	84⅛
31¾	19	Shell Union	22¾	22½
188	43¾	Simmons Company	39	40
93¼	45⅛	Southern California Edison	65⅞	66
157½	105	Southern Pacific Railway ..	122½	121⅛
243¾	75½	Standard Gas & Electric ..	115¼	115⅝
83	48	Standard Oil of N. Jersey	76½	80⅞
48⅛	31¾	Standard Oil of New York	36¼	37⅜
71⅞	50	Texas Corporation	57⅝	58½
85¼	42½	Texas Gulf Sulphur	60½	60⅝
139⅜	58½	Timken Roller Bearing ..	75½	76½
67⅜	20¼	Trans America	42¾	43¾
140	59	Union Carbride & Carbon	Unq	88½
297⅝	200	Union Pacific Railway ..	225¾	225¾
162	31	United Aircraft & Transp't	69	69½
47⅞	8½	United Corporation	47⅛	47
59⅝	22	United Gas Improvement	46⅝	46½
20½	6¼	United Dry Docks	7	Unq
65	15	U. S. Rubber	29½	29⅜
261¾	150	U. S. Steel	171⅜	174⅝
124½	37½	Vanadium	103¼	105⅜
292⅝	100	Westinghouse E. & M. ..	175	176½
103⅞	52¼	Woolworth	62	63⅜
		Call Money	3%	3%

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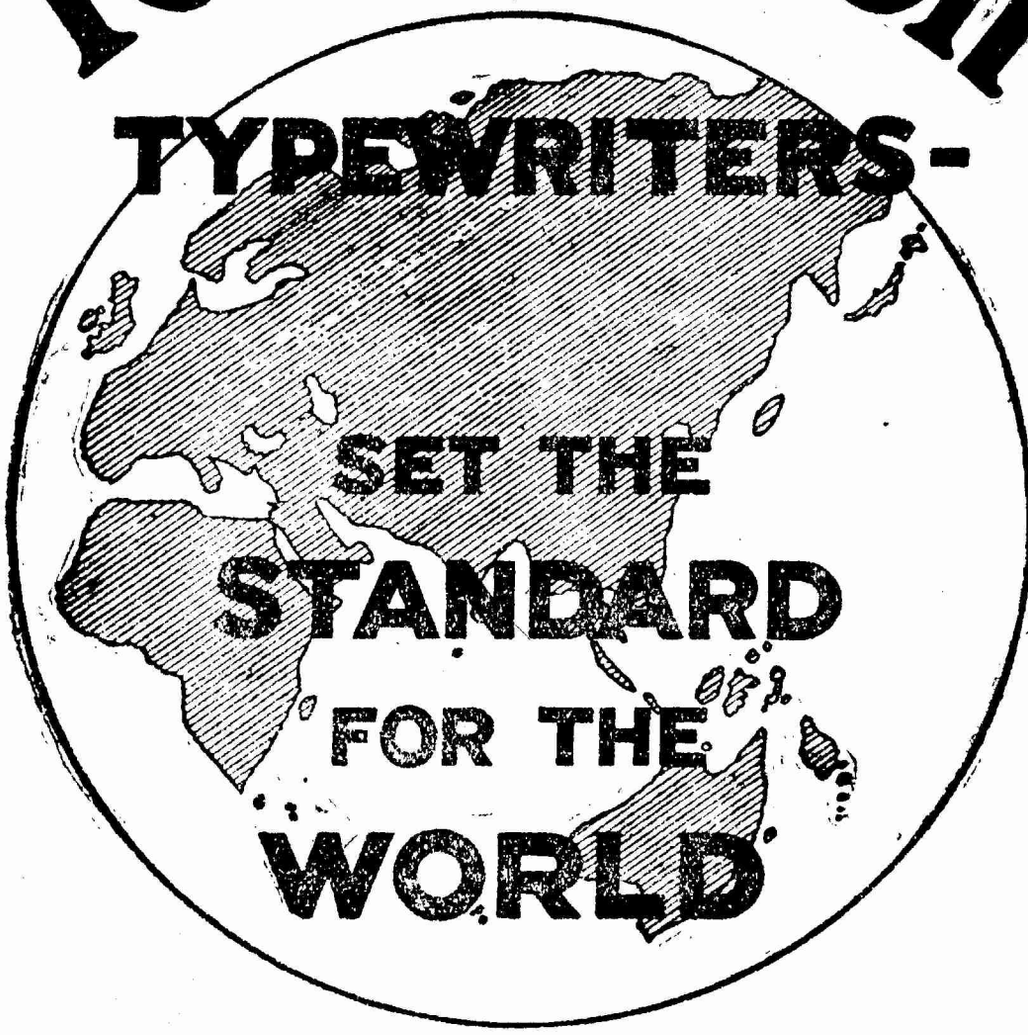

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